

COMMUNITY MENTAL HEALTH AND SUBSTANCE ABUSE  
SERVICES IMPROVEMENT ACT OF 1992

MARCH 24, 1992.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. DINGELL, from the Committee on Energy and Commerce,  
submitted the following

R E P O R T

together with

SUPPLEMENTAL, ADDITIONAL, AND DISSENTING VIEWS

[To accompany H.R. 3698]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Commerce, to whom was referred the bill (H.R. 3698) to amend the Public Health Service Act with respect to services for mental health and substance abuse, including establishing separate block grants to enhance the delivery of such services, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

#### SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Community Mental Health and Substance Abuse Services Improvement Act of 1992”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

Sec. 1. Short title and table of contents.

#### TITLE I—BLOCK GRANTS TO STATES REGARDING MENTAL HEALTH AND SUBSTANCE ABUSE

- Sec. 101. Establishment of separate block grant regarding mental health.
- Sec. 102. Establishment of separate block grant regarding substance abuse.
- Sec. 103. General provisions regarding block grants.
- Sec. 104. Related categorical programs.
- Sec. 105. Temporary provisions regarding funding.

#### TITLE II—OTHER PROGRAMS OF ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

##### Subtitle A—Mental Health

- Sec. 201. Transfer of provision relating to service research on community-based treatment programs.
- Sec. 202. Program for research on mental health.
- Sec. 203. Demonstration projects.
- Sec. 204. Establishment of Office of Rural Mental Health.
- Sec. 205. Miscellaneous provisions.

##### Subtitle B—Substance Abuse

##### PART I—OFFICE FOR TREATMENT IMPROVEMENT

- Sec. 211. Establishment, general authorities, and certain programs.
- Sec. 212. Conforming amendment.

##### PART II—OFFICE FOR SUBSTANCE ABUSE PREVENTION

- Sec. 221. General activities of Office.
- Sec. 222. Prevention, treatment, and rehabilitation model projects for high risk youth.
- Sec. 223. Striking of certain provisions; revisions in program for pregnant and postpartum women.
- Sec. 224. Training in provision of treatment services.
- Sec. 225. Reduction of waiting period for drug abuse treatment.

##### PART III—OTHER PROVISIONS REGARDING SUBSTANCE ABUSE

- Sec. 231. Research on alcohol abuse and alcoholism.
- Sec. 232. Research on drug abuse.
- Sec. 233. Study by National Academy of Sciences.
- Sec. 234. Study of barriers to insurance coverage of treatment for substance abuse.
- Sec. 235. Study on fetal alcohol effect and fetal alcohol syndrome.

##### PART IV—CHILDREN OF SUBSTANCE ABUSERS

- Sec. 241. Establishment of program of services.

##### PART V—MISCELLANEOUS PROVISIONS

- Sec. 251. Grants for small instrumentation in research on mental health and substance abuse.

#### TITLE III—TRAUMA CENTERS AND DRUG-RELATED VIOLENCE

- Sec. 301. Establishment of program of grants.
- Sec. 302. Conforming amendments.

#### TITLE IV—NATIONAL COMMISSION ON ALCOHOL AND TOBACCO USE BY CHILDREN

- Sec. 401. Establishment and duties of commission.

##### TITLE V—MISCELLANEOUS

- Sec. 501. Physicians comparability allowance.

## TITLE I—BLOCK GRANTS TO STATES REGARDING MENTAL HEALTH AND SUBSTANCE ABUSE

#### SEC. 101. ESTABLISHMENT OF SEPARATE BLOCK GRANT REGARDING MENTAL HEALTH.

(a) **IN GENERAL.**—Part B of title XIX of the Public Health Service Act (42 U.S.C. 300x et seq.) is amended by striking subparts 1 and 2 and inserting the following:

## **“Subpart I—Block Grants for Community Mental Health Services**

### **“SEC. 1911. FORMULA GRANTS TO STATES.**

“For the purposes described in section 1912, the Secretary, acting through the Director of the National Institute of Mental Health, shall make an allotment each fiscal year for each State in an amount determined in accordance with section 1916. The Secretary shall make a grant to the State of the allotment made for the State for the fiscal year if the Secretary approves for the fiscal year an application submitted by the State pursuant to section 1915.

### **“SEC. 1912. PURPOSE OF GRANTS.**

“(a) **COMPREHENSIVE COMMUNITY MENTAL HEALTH SERVICES FOR CERTAIN INDIVIDUALS.**—The Secretary may not make a grant under section 1911 unless—

“(1) in the case of fiscal year 1992, the State involved submits to the Secretary a plan for providing comprehensive community mental health services to adults with a serious mental illness and to children with a serious emotional disturbance;

“(2) in the case of fiscal year 1993 and subsequent fiscal years, the State submits such revisions in the plan as the State determines to be appropriate; and

“(3) in the case of each fiscal year—

“(A) the plan (with any revisions) meets the criteria specified in subsection (b);

“(B) the plan (or revision, as the case may be) is approved by the Secretary; and

“(C) the State agrees that—

“(i) the grant will be expended only for the purpose of providing, in accordance with the plan as in effect for the fiscal year, the services described in paragraph (1) to the adults and children described in such paragraph;

“(ii) services under the plan will be provided only through appropriate, qualified community programs (which may include community mental health centers, child mental-health programs, psychosocial rehabilitation programs, mental health peer-support programs, and mental-health primary consumer-directed programs); and

“(iii) services under the plan will be provided through community mental health centers only if the centers meet the criteria specified in subsection (d).

“(b) **CRITERIA FOR STATE PLAN.**—With respect to the provision of comprehensive community mental health services to individuals who are either adults with a serious mental illness or children with a serious emotional disturbance, the criteria referred to in subsection (a) regarding a plan are as follows:

“(1) The plan provides for the establishment and implementation of an organized community-based system of care for such individuals.

“(2) The plan contains quantitative targets to be achieved in the implementation of such system, including the numbers of such individuals residing in the areas to be served under such system.

“(3) The plan describes services, available treatment options, and available resources (including Federal, State and local public services and resources, and to the extent practicable, private services and resources) to be provided such individuals to enable the individuals to gain access to mental health services, including access to treatment, prevention, and rehabilitation services.

“(4) The plan describes health and mental health services, rehabilitation services, employment services, housing services, educational services, medical and dental care, and other support services to be provided to such individuals with Federal, State and local public and private resources to enable such individuals to function outside of inpatient or residential institutions to the maximum extent of their capabilities, including services to be provided by local school systems under the Individuals with Disabilities Education Act.

“(5) The plan describes the financial resources and staffing necessary to implement the requirements of such plan, including programs to train individuals as providers of mental health services, and the plan emphasizes training of providers of emergency health services regarding mental health.

“(6) The plan provides for activities to reduce the rate of hospitalization of such individuals.

“(7)(A) Subject to subparagraph (B), the plan requires the provision of case management services to each such individual in the State who receives substantial amounts of public funds or services.



"(B) The plan may provide that the requirement of subparagraph (A) will not be substantially completed until the end of fiscal year 1992.

"(8) The plan provides for the establishment and implementation of a program of outreach to, and services for, such individuals.

"(9) In the case of children with serious emotional disturbances, the plan describes a system of integrated social services, educational services, juvenile services, and substance abuse services that, together with health and mental health services, should be provided in order for such children to receive care appropriate for their multiple needs, including services to be provided by local school systems under the Individuals with Disabilities Education Act.

"(10) The plan describes the manner in which mental health services will be provided to the residents of rural areas.

"(c) REQUIREMENT OF IMPLEMENTATION OF PLAN.—

"(1) COMPLETE IMPLEMENTATION.—Except as provided in paragraph (2), in making a grant under section 1911 to a State for a fiscal year, the Secretary shall make a determination of the extent to which the State has implemented the plan required in subsection (a). If the Secretary determines that a State has not completely implemented the plan, the Secretary shall reduce the amount of the allotment under section 1911 for the State for the fiscal year involved by an amount equal to 10 percent of the amount determined under section 1916 for the State for the fiscal year.

"(2) SUBSTANTIAL IMPLEMENTATION AND GOOD FAITH EFFORT REGARDING FISCAL YEAR 1992.—

"(A) In making a grant under section 1911 to a State for fiscal year 1992, the Secretary shall make a determination of the extent to which the State has implemented the plan required in subsection (a). If the Secretary determines that the State has not substantially implemented the plan, the Secretary shall, subject to subparagraph (B), reduce the amount of the allotment under section 1911 for the State for such fiscal year by an amount equal to 10 percent of the amount determined under section 1916 for the State for the fiscal year.

"(B) In carrying out subparagraph (A), if the Secretary determines that the State is making a good faith effort to implement the plan required in subsection (a), the Secretary may make a reduction under such subparagraph in an amount that is less than the amount specified in such subparagraph, except that the reduction may not be made in an amount that is less than 5 percent of the amount determined under section 1916 for the State for fiscal year 1992.

"(d) CRITERIA FOR MENTAL HEALTH CENTERS.—The criteria referred to in subsection (a)(3)(C)(iii) regarding community mental health centers are—

"(1) that, with respect to mental health services, the centers provide—

"(A) services principally to individuals residing in a defined geographic area (hereafter in this subsection referred to as a 'service area');

"(B) outpatient services, including specialized outpatient services for children, the elderly, individuals with a serious mental illness, and residents of the service areas of the centers who have been discharged from inpatient treatment at a mental health facility;

"(C) 24-hour-a-day emergency care services;

"(D) day treatment or other partial hospitalization services, or psychosocial rehabilitation services; and

"(E) screening for patients being considered for admission to State mental health facilities to determine the appropriateness of such admission;

"(2) that the mental health services of the centers are provided, within the limits of the capacities of the centers, to any individual residing or employed in the service area of the center regardless of ability to pay for such services; and

"(3) that the mental health services of the centers are available and accessible promptly, as appropriate and in a manner which preserves human dignity and assures continuity and high quality care.

"(e) PLANNING, ADMINISTRATION, AND EDUCATIONAL ACTIVITIES.—A State may expend a grant under section 1911 for planning, administration, and educational activities related to providing services under the plan of the State under subsection (a). Entities receiving a grant pursuant to such subsection may expend the grant for planning, administration, and educational activities related to providing such services.

"(f) MAINTENANCE OF EFFORT REGARDING STATE EXPENDITURES FOR MENTAL HEALTH.—



"(1) IN GENERAL.—The Secretary may not make a grant under section 1911 for a fiscal year unless the State involved agrees to maintain State expenditures for community mental health services at a level that is not less than the average level of such expenditures maintained by the State for the 2-year period preceding the fiscal year for which the State is applying for the grant.

"(2) WAIVER.—The Secretary may, upon the request of a State, waive the requirement established in paragraph (1) if the Secretary determines that extraordinary economic conditions in the State justify the waiver.

**"(g) MONITORING OF CERTAIN ENTITIES RECEIVING FACILITIES ASSISTANCE UNDER COMMUNITY MENTAL HEALTH CENTERS ACT.—**

"(1) IN GENERAL.—With respect to entities that received payments under the Community Mental Health Centers Act for fiscal year 1981 or prior fiscal years for any of the projects described in section 221(a) of such Act (as such section was in effect on August 12, 1981), if any such entity is located in the State involved and there remains in effect for the entity obligations under agreements made by the entity as a condition of the receipt of the payments, then the Secretary may not make a grant under section 1911 unless the State agrees—

"(A) to monitor the activities of the entity in order to determine the extent to which the entity is complying with such obligations; and

"(B) to submit to the Secretary a report describing the findings made by the State pursuant to subparagraph (A) for the fiscal year involved.

"(2) REPORTS TO CONGRESS.—Not later than February 1 of each fiscal year, the Secretary shall submit to the Congress a report summarizing the information contained in the reports submitted under paragraph (1) to the Secretary by the States for the previous fiscal year. The Secretary shall provide a copy of each such report to the Inspector General of the Department of Health and Human Services.

"(3) DEFINITION.—For purposes of this subsection, the term 'Community Mental Health Centers Act' means such Act as in effect prior to the repeal of the Act on August 13, 1981, by section 902(e)(2)(B) of Public Law 97-35 (95 Stat. 560).

**"SEC. 1913. RESTRICTIONS ON USE OF PAYMENTS.**

"(a) IN GENERAL.—The Secretary may not make a grant under section 1911 unless the State involved agrees that the grant will not be expended—

"(1) to provide inpatient services;

"(2) to make cash payments to intended recipients of health services;

"(3) to purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;

"(4) to satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds; or

"(5) to provide financial assistance to any entity other than a public or non-profit private entity.

"(b) LIMITATION ON ADMINISTRATIVE EXPENSES.—The Secretary may not make a grant under section 1911 unless the State involved agrees that the State will not expend more than 5 percent of the grant for administrative expenses with respect to the grant.

**"SEC. 1914. STATE MENTAL HEALTH PLANNING COUNCIL.**

"(a) IN GENERAL.—The Secretary may not make a grant under section 1911 unless the State involved agrees to establish and maintain a State mental health planning council in accordance with this section.

"(b) DUTIES.—A Council is in accordance with this section if the duties of the Council are—

"(1) to serve as an advocate for adults with a serious mental illness, children with a severe emotional disturbance, and other individuals with mental illnesses or emotional problems; and

"(2) to monitor, review, and evaluate, not less than once each year, the allocation and adequacy of mental health services within the State.

**"(c) MEMBERSHIP.—**

"(1) IN GENERAL.—A Council is in accordance with this section if the Council is composed of residents of the State, including representatives of—

"(A) the principal State agencies with respect to—

"(i) mental health, education, vocational rehabilitation, criminal justice, housing, and social services; and

"(ii) the development of the plan submitted pursuant to title XIX of the Social Security Act;

"(iii) public and private entities concerned with the need, planning, operation, funding, and use of mental health services and related support services;

"(B) adults with serious mental illnesses who are receiving (or have received) mental health services; and

"(C) the families of such adults.

"(2) CERTAIN REQUIREMENTS.—A Council is in accordance with the section if—

"(A) with respect to the membership of the Council, the ratio of parents of children with a serious emotional disturbance to other members of the Council is sufficient to provide adequate representation of such children in the deliberations of the Council; and

"(B) not less than 50 percent of the members of the Council are individuals who are not State employees or providers of mental health services.

"(d) AUTHORITY REGARDING INTENDED EXPENDITURES.—A Council may assist the State in the preparation of the description of intended expenditures required in section 1941 with respect to this subpart.

"(e) DEFINITION.—For purposes of this section, the term 'Council' means a State mental health planning council.

#### "SEC. 1915. APPLICATION FOR GRANT.

"The Secretary may not make payments under section 1911 unless—

"(1) the State involved submits to the Secretary an application for the grant containing any agreement required in this subpart or subpart III as a condition of receiving the grant;

"(2) the agreements are made through certification from the chief executive officer of the State;

"(3) with respect to such agreements, the application provides assurances of compliance satisfactory to the Secretary;

"(4) the application contains the plan required in section 1912(a), the description of intended expenditures required in section 1941(a)(1), and the report required in section 1942(a); and

"(5) the application otherwise is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this subpart.

#### "SEC. 1916. DETERMINATION OF AMOUNT OF ALLOTMENT.

"(a) STATES.—

"(1) DETERMINATION UNDER FORMULA.—Subject to subsection (b), the Secretary shall determine the amount of the allotment required in section 1911 for a State for a fiscal year in accordance with the following formula:

$$A \left( \frac{X}{U} \right)$$

"(2) DETERMINATION OF TERM 'A'.—For purposes of the formula specified in paragraph (1), the term 'A' means the difference between—

"(A) an amount equal to the amount appropriated under section 1917(a) for allotments under section 1911 for the fiscal year involved; and

"(B) an amount equal to 1.5 percent of the amount referred to in subparagraph (A).

"(3) DETERMINATION OF TERM 'U'.—For purposes of the formula specified in paragraph (1), the term 'U' means the sum of the respective terms 'X' determined for each State under paragraph (4).

"(4) DETERMINATION OF TERM 'X'.—

"(A) For purposes of the formula specified in paragraph (1), the term 'X' means the product of—

"(i) an amount equal to the term 'P', as determined for the State involved under subparagraph (B); and

"(ii) the greater of—

"(I) 0.4; and

"(II) an amount equal to an amount determined for the State in accordance with the following formula:

$$1-.35 \left( \frac{S}{N} \right)$$

“(B) For purposes of subparagraph (A)(i), the term ‘P’ means the sum of—

“(i) an amount equal to the product of—

“(I) 0.107; and

“(II) an amount equal to the number of individuals in the State who are between 18 and 24 years of age (inclusive), as indicated by the most recent data collected by the Bureau of the Census;

“(ii) an amount equal to the product of—

“(I) 0.166; and

“(II) an amount equal to the number of individuals in the State who are between 25 and 44 years of age (inclusive), as indicated by the most recent data collected by the Bureau of the Census;

“(iii) an amount equal to the product of—

“(I) 0.099; and

“(II) an amount equal to the number of individuals in the State who are between 25 and 64 years of age (inclusive), as indicated by the most recent data collected by the Bureau of the Census; and

“(iv) an amount equal to the product of—

“(I) 0.082; and

“(II) an amount equal to the number of individuals in the State who are 65 years of age or older, as indicated by the most recent data collected by the Bureau of the Census.

“(C) In the case of the several States, for purposes of the formula specified in subparagraph (A)(ii)(II), the term ‘S’ means the quotient of—

“(i) an amount equal to the most recent 3-year average of the total taxable resources of the State involved, as determined by the Secretary of the Treasury; divided by

“(ii) an amount equal to the term ‘P’, as determined for the State under subparagraph (B).

“(D) In the case of the several States, for purposes of the formula specified in subparagraph (A)(ii)(II), the term ‘N’ means the quotient of—

“(i) an amount equal to the sum of—

“(I) the sum of the respective amounts determined for each of the several States under subparagraph (C)(i); and

“(II) an amount equal to the most recent 3-year average of the total taxable resources of the District of Columbia, as determined by the Secretary of the Treasury; divided by

“(ii) an amount equal to the sum of the respective terms ‘P’ determined for each of the several States, and for the District of Columbia, under subparagraph (B).

“(E) In the case of the District of Columbia, for purposes of the formula specified in subparagraph (A)(ii)(II)—

“(i) the term ‘S’ means the quotient of—

“(I) an amount equal to the most recent 3-year average of the total personal income in such District, as determined by the Secretary of Commerce; divided by

“(II) an amount equal to the term ‘P’, as determined for such District under subparagraph (B); and

“(ii) the term ‘N’ means the quotient of—

“(I) an amount equal to the most recent 3-year average of the total personal income in the United States, as determined by the Secretary of Commerce; divided by

“(II) an amount equal to the sum of the respective terms ‘P’ determined for each of the several States, and for the District of Columbia, under subparagraph (B).

“(b) MINIMUM ALLOTMENT FOR CERTAIN STATES.—If the allotment under section 1911 for a State for a fiscal year would be less than \$7,000,000 as determined under subsection (a), the amount of the allotment under such section for the State for the fiscal year shall be the greater of—

“(1) the amount determined for the State under subsection (a); and

“(2) an amount equal to 20.6 percent of the allotment made for the State under section 1912A for fiscal year 1989 (as such section was in effect for such fiscal year).



“(c) TERRITORIES.—

“(1) DETERMINATION UNDER FORMULA.—Subject to paragraphs (2) and (4), the allotment under section 1911 for a territory of the United States shall be the product of—

“(A) an amount equal to the amounts reserved under paragraph (3); and  
“(B) a percentage equal to the quotient of—

“(i) the civilian population of the territory, as indicated by the most recently available data; divided by

“(ii) the aggregate civilian population of the territories of the United States, as indicated by such data.

“(2) MINIMUM ALLOTMENT FOR TERRITORIES.—Each territory of the United States shall receive a minimum allotment under section 1911 of \$50,000.

“(3) RESERVATION OF AMOUNTS.—The Secretary shall each fiscal year reserve for the territories of the United States 1.5 percent of the amounts appropriated under section 1917(a) for allotments under section 1911 for the fiscal year.

“(4) AVAILABILITY OF DATA ON POPULATION.—With respect to data on the civilian population of the territories of the United States, if the Secretary determines for a fiscal year that recent such data for purposes of paragraph (1)(B) do not exist regarding a territory, the Secretary shall for such purposes estimate the civilian population of the territory by modifying the data on the territory to reflect the average extent of change occurring during the ensuing period in the population of all territories with respect to which recent such data do exist.

“(5) APPLICABILITY OF CERTAIN PROVISIONS.—For purposes of subsection (a), the term ‘State’ does not include the territories of the United States.

“SEC. 1917. FUNDING.

“(a) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this subpart, subpart III and section 509D with respect to mental health, and section 518A, there are authorized to be appropriated \$303,000,000 for fiscal year 1992, \$420,000,000 for fiscal year 1993, and \$520,000,000 for fiscal year 1994.

“(b) ALLOCATIONS FOR TECHNICAL ASSISTANCE AND DATA COLLECTION.—

“(1) IN GENERAL.—For the purpose of carrying out section 1949(a) with respect to mental health, and for the purpose specified in paragraph (2), the Secretary shall obligate 5 percent of the amounts appropriated under subsection (a) for a fiscal year.

“(2) DATA COLLECTION.—The purpose specified in this paragraph is the collection of data—

“(A) to assist in the operation of publicly-supported mental-health service systems; and

“(B) to assist the States in the preparation of the plans required in section 1912.

“(c) AVAILABILITY TO STATES.—

“(1) IN GENERAL.—Subject to paragraph (2), any amounts paid to a State under section 1911 shall be available for obligation until the end of the fiscal year for which the amounts were paid, and if obligated by the end of such year, shall remain available for expenditure until the end of the succeeding fiscal year.

“(2) EXCEPTION REGARDING NONCOMPLIANCE OF SUBGRANTEES.—If a State has in accordance with paragraph (1) obligated amounts paid to the State under section 1911, in any case in which the Secretary determines that the obligation consists of a grant or contract awarded by the State, and that the State has terminated or reduced the amount of such financial assistance on the basis of the failure of the recipient of the assistance to comply with the terms upon which the assistance was conditioned—

“(A) the amounts involved shall be available for reobligation by the State through September 30 of the fiscal year following the fiscal year for which the amounts were paid to the State; and

“(B) any of such amounts that are obligated by the State in accordance with subparagraph (A) shall be available for expenditure through such date.”.

(b) CONFORMING AMENDMENT.—Part B of title XIX of the Public Health Service Act (42 U.S.C. 300x et seq.) is amended by amending the heading for the part to read as follows:

## **“PART B—BLOCK GRANTS REGARDING MENTAL HEALTH AND SUBSTANCE ABUSE”.**

### **SEC. 102. ESTABLISHMENT OF SEPARATE BLOCK GRANT REGARDING SUBSTANCE ABUSE.**

Part B of title XIX of the Public Health Service Act, as amended by section 101 of this Act, is amended by adding at the end the following:

### **“Subpart II—Block Grants for Prevention and Treatment of Substance Abuse**

#### **“SEC. 1921. FORMULA GRANTS TO STATES.**

“(a) **IN GENERAL.**—For the purpose described in subsection (b), the Secretary, acting through the Director of the Office for Treatment Improvement, shall make an allotment each fiscal year for each State in an amount determined in accordance with section 1931. The Secretary shall make a grant to the State of the allotment made for the State for the fiscal year if the State makes each of the agreements described in this subpart, and in subpart III with respect to substance abuse, and the State submits to the Secretary an application in accordance with section 1930.

“(b) **AUTHORIZED ACTIVITIES.**—A funding agreement under subsection (a) is that, subject to section 1929, the State involved will expend a grant under subsection (a) only for the purpose of planning, carrying out, and evaluating activities to prevent and treat the abuse of alcohol and other drugs.

#### **“SEC. 1922. CERTAIN ALLOCATIONS.**

“(a) **PRIORITY FOR CERTAIN COMMUNITIES.**—A funding agreement under section 1921 is that, in expending a grant under such section, the State involved will give priority to carrying out authorized activities in communities with the highest prevalence of substance abuse or the greatest need for treatment services, as determined by the State after consideration of—

“(1) the demand for such services or a need for such services that exceeds the capacity to provide such services;

“(2) a high prevalence of drug-related criminal activities; and

“(3) a high incidence of communicable diseases transmitted through intravenous drug abuse.

“(b) **ALLOCATIONS REGARDING ALCOHOL AND OTHER DRUGS.**—A funding agreement under section 1921 is that, in expending a grant under such section, the State involved will expend—

“(1) not less than 35 percent for prevention and treatment activities regarding alcohol; and

“(2) not less than 35 percent for prevention and treatment activities regarding other drugs.

“(c) **ALLOCATION REGARDING PRIMARY PREVENTION PROGRAMS.**—With respect to individuals who do not engage in drug abuse, a funding agreement under section 1921 is that, in expending a grant under such section, the State involved—

“(1) will expend not less than 20 percent for programs designed to educate the individuals on such abuse and to encourage the individuals to continue abstaining from such abuse; and

“(2) will, in carrying out paragraph (1)—

“(A) give priority to programs for populations that are at risk of developing a pattern of such abuse; and

“(B) ensure that programs receiving priority under subparagraph (A) develop community-based strategies for the prevention of such abuse, including strategies to discourage the use of alcoholic beverages and tobacco products by individuals to whom it is unlawful to sell or distribute such beverages or products.

#### **“(d) ALLOCATIONS REGARDING WOMEN.—**

“(1) **IN GENERAL.**—Subject to paragraph (2), a funding agreement under section 1921 is that, in expending a grant under such section, the State involved—

“(A)(i) for fiscal year 1992, will expend not less than 5 percent to increase (relative to fiscal year 1991) the availability of treatment services designed for pregnant women and women with dependent children (either by establishing new programs or expanding the capacity of existing programs);

“(ii) for fiscal year 1993, will expend not less than 10 percent to so increase (relative to fiscal year 1992) the availability of such services for such women; and

"(iii) for fiscal year 1994, will expend not less than 10 percent to so increase (relative to fiscal year 1993) the availability of such services for such women; and

"(B)(i) for fiscal year 1993, will expend, in addition to amounts expended pursuant to clause (ii) of subparagraph (A), 5 percent to maintain the level of availability of services provided pursuant to clause (i) of such subparagraph for fiscal year 1992;

"(ii) for fiscal year 1994, will expend, in addition to amounts expended pursuant to clause (iii) of subparagraph (A), 15 percent to maintain the level of availability of services provided pursuant to clauses (i) and (ii) of such subparagraph for fiscal year 1993; and

"(iii) for fiscal year 1995 and subsequent fiscal years, will expend 25 percent to maintain the level of availability of services provided pursuant to clauses (i) through (iii) of such subparagraph for fiscal year 1994.

"(2) WAIVER.—

"(A) Upon the request of a State, the Secretary may provide to the State a waiver of all or part of the requirement established in paragraph (1) if the Secretary determines that the State is providing an adequate level of treatment services for women described in such paragraph, as indicated by a comparison of the number of such women seeking the services with the availability in the State of the services.

"(B) The Secretary shall approve or deny a request for a waiver under subparagraph (A) not later than 120 days after the date on which the request is made.

"(C) Any waiver provided by the Secretary under subparagraph (A) shall be applicable only to the fiscal year involved.

"(3) **CHILDCARE AND PRENATAL CARE.**—A funding agreement under section 1921 for a State is that each entity providing treatment services with amounts reserved under paragraph (1) by the State will make available childcare and prenatal care to women receiving the treatment services.

"(e) **CONTINUATION OF CERTAIN PROGRAMS.**—

"(1) **IN GENERAL.**—In the case of any entity that received a grant under section 509E for fiscal year 1991 to carry out a program of services in the State involved, a funding agreement under section 1921 for the State for a fiscal year is that, subject to paragraph (2)—

"(A) the State will expend the grant under section 1921 to provide financial assistance to the entity for the purpose of continuing the program; and

"(B) the amount of such assistance for the fiscal year will be an amount equal to the amount the entity received under section 509E for fiscal year 1991.

"(2) **WAIVER.**—The Secretary shall waive the requirement established in paragraph (1) with respect to a program of services if the State involved certifies to the Secretary that, in the geographic area in which the program is carried out, there is no need for the services of the program.

**"SEC. 1923. INTRAVENOUS SUBSTANCE ABUSE.**

"(a) **ALLOCATION.**—

"(1) **IN GENERAL.**—Subject to paragraph (2), a funding agreement under section 1921 is that, of the amounts reserved under section 1922(b)(2) by a State, the State will expend not less than 25 percent—

"(A) to develop, implement, and operate programs of treatment for intravenous drug abuse, with priority given to programs to treat individuals infected with the etiologic agent for acquired immune deficiency syndrome;

"(B) to train drug abuse counselors, and other health care providers, to provide such treatment; and

"(C) with respect to individuals in need of treatment for intravenous drug abuse, to carry out outreach activities for the purpose of encouraging such individuals to undergo such treatment.

"(2) **ADJUSTMENT BY SECRETARY.**—

"(A) If the Secretary determines that the incidence of intravenous drug abuse in a State requires a greater level of funding than the level of funding provided pursuant to paragraph (1), the Secretary may increase the percentage specified in such paragraph, subject to not exceeding 50 percent.

"(B) For purposes of subparagraph (A), the Secretary shall make a determination for each fiscal year of the percentage that is to be in effect for each State for the fiscal year. After making such a determination for a



State for the fiscal year, the Secretary may not during such year alter the percentage, except as provided in paragraph (3).

“(3) WAIVER.—

“(A) Upon the request of a State, the Secretary may provide to the State a waiver of all or part of the requirement established under paragraph (1) for the State if the Secretary determines that the incidence of intravenous drug abuse in the State does not require the level of funding required under such paragraph.

“(B) The Secretary shall approve or deny a request for a waiver under subparagraph (A) not later than 120 days after the date on which the request is made. The Secretary may approve such request only after providing interested persons in the State an opportunity to comment upon the request.

“(C) Any waiver provided by the Secretary under subparagraph (A) shall be applicable only to the fiscal year involved.

“(b) CAPACITY OF TREATMENT PROGRAMS.—

“(1) NOTIFICATION OF REACHING CAPACITY.—A funding agreement under section 1921 is that the State involved will, in the case of programs of treatment for intravenous drug abuse, require that any such program receiving amounts from a grant under such section, upon reaching 90 percent of its capacity to admit individuals to the program, provide to the State a notification of such fact.

“(2) PROVISION OF TREATMENT.—A funding agreement under section 1921 is that the State involved will, with respect to notifications under paragraph (1), ensure that each individual who requests and is in need of treatment for intravenous drug abuse is admitted to a program of such treatment not later than 7 days after making the request.

“(c) OUTREACH REGARDING INTRAVENOUS SUBSTANCE ABUSE.—A funding agreement under section 1921 is that the State involved, in providing amounts from a grant under such section to any entity for treatment services for intravenous drug abuse, will require the entity to carry out outreach activities described in subsection (a)(1)(C).

“(d) EARLY INTERVENTION SERVICES REGARDING HUMAN IMMUNODEFICIENCY VIRUS.—

“(1) IN GENERAL.—A funding agreement under section 1921 is that—

“(A) the State involved will require that any entity receiving amounts from a grant under such section for the provision of treatment services for drug abuse will routinely offer and encourage early intervention services for HIV disease with respect to each individual seeking treatment for such abuse;

“(B) the early intervention services will be undertaken voluntarily and with the informed consent of the individual, and will not be required as a condition of receiving treatment services for drug abuse or other services; and

“(C) information regarding receipt of the early intervention services will be confidential.

“(2) PROVISION OF SERVICES THROUGH OTHER ENTITIES.—With respect to compliance with an agreement under paragraph (1), an entity may expend the amounts involved to provide early intervention services directly and may expend the amounts to enter into agreements with other public or nonprofit private entities under which the other entities will provide the services.

“(3) REQUIREMENTS REGARDING OFFERING AND ENCOURAGING SERVICES.—For purposes of this section, an entity to which the requirements of this subsection apply is offering and encouraging early intervention services with respect to individuals if the entity—

“(A) offers such services to the individuals, and encourages the individuals to receive the services, as a regular practice in the course of providing treatment services for drug abuse; and

“(B) provides the early intervention services only with the consent of the individuals.

“(4) DEFINITIONS.—For purposes of this subsection:

“(A) The term ‘early intervention services’, with respect to HIV disease, means—

“(i) appropriate pretest counseling;

“(ii) testing individuals with respect to such disease, including tests to confirm the presence of the disease, tests to diagnose the extent of the deficiency in the immune system, and tests to provide information

on appropriate therapeutic measures for preventing and treating the deterioration of the immune system and for preventing and treating conditions arising from the disease;

“(iii) appropriate post-test counseling; and

“(iv) providing the therapeutic measures described in clause (ii).

“(B) The term ‘HIV disease’ means infection with the etiologic agent for acquired immune deficiency syndrome.

“SEC. 1924. GROUP HOMES FOR RECOVERING SUBSTANCE ABUSERS.

“(a) STATE REVOLVING FUNDS FOR ESTABLISHMENT OF HOMES.—For fiscal year 1992 and subsequent fiscal years, the Secretary may not make a grant under section 1921 unless the State involved has established, and is providing for the ongoing operation of, a revolving fund as follows:

“(1) The purpose of the fund is to make loans for the costs of establishing programs for the provision of housing in which individuals recovering from alcohol or drug abuse may reside in groups of not less than 6 individuals. The fund is established directly by the State or through the provision of a grant or contract to a nonprofit private entity.

“(2) The programs are carried out in accordance with guidelines issued under subsection (b).

“(3) Not less than \$100,000 is available for the fund.

“(4) Loans made from the revolving fund do not exceed \$4,000 and each such loan is repaid to the revolving fund by the residents of the housing involved not later than 2 years after the date on which the loan is made.

“(5) Each such loan is repaid by such residents through monthly installments, and a reasonable penalty is assessed for each failure to pay such periodic installments by the date specified in the loan agreement involved.

“(6) Such loans are made only to nonprofit private entities agreeing that, in the operation of the program established pursuant to the loan—

“(A) the use of alcohol or any illegal drug in the housing provided by the program will be prohibited;

“(B) any resident of the housing who violates such prohibition will be expelled from the housing;

“(C) the costs of the housing, including fees for rent and utilities, will be paid by the residents of the housing; and

“(D) the residents of the housing will, through a majority vote of the residents, otherwise establish policies governing residence in the housing, including the manner in which applications for residence in the housing are approved.

“(b) ISSUANCE BY SECRETARY OF GUIDELINES.—The Secretary, acting through the Administrator, shall ensure that there are in effect guidelines issued by the Secretary for the operation of programs described in subsection (a).

“(c) APPLICABILITY TO TERRITORIES.—The requirements established in subsection (a) shall not apply to any territory of the United States other than the Commonwealth of Puerto Rico.

“SEC. 1925. STATE LAW REGARDING SALE OF TOBACCO PRODUCTS TO INDIVIDUALS UNDER AGE OF 18.

“(a) RELEVANT LAW.—

“(1) IN GENERAL.—Subject to paragraph (2), for fiscal year 1994 and subsequent fiscal years, the Secretary may not make a grant under section 1921 unless the State involved has in effect a law providing that it is unlawful for any manufacturer, retailer, or distributor of tobacco products to sell or distribute any such product to any individual under the age of 18.

“(2) DELAYED APPLICABILITY FOR CERTAIN STATES.—In the case of a State whose legislature does not convene a regular session in fiscal year 1992, and in the case of a State whose legislature does not convene a regular session in fiscal year 1993, the requirement described in paragraph (1) as a condition of a receipt of a grant under section 1921 shall apply only for fiscal year 1995 and subsequent fiscal years.

“(b) ENFORCEMENT.—

“(1) IN GENERAL.—For the first applicable fiscal year and for subsequent fiscal years, a funding agreement under section 1921 is that the State involved will enforce the law described in subsection (a) in a manner that can reasonably be expected to reduce the extent to which tobacco products are available to individuals under the age of 18.

“(2) ACTIVITIES AND REPORTS REGARDING ENFORCEMENT.—For the first applicable fiscal year and for subsequent fiscal years, a funding agreement under section 1921 is that the State involved will—

“(A) annually conduct random, unannounced inspections to ensure compliance with the law described in subsection (a); and

“(B) annually submit to the Secretary a report describing—

“(i) the activities carried out by the State to enforce such law during the fiscal year preceding the fiscal year for which the State is seeking a grant under section 1921;

“(ii) the extent of success the State has achieved in reducing the availability of tobacco products to individuals under the age of 18; and

“(iii) the strategies to be utilized by the State for enforcing such law during the fiscal year for which the grant is sought.

“(c) NONCOMPLIANCE OF STATE.—Before making a grant under section 1921 to a State for the first applicable fiscal year or any subsequent fiscal year, the Secretary shall make a determination of whether the State has maintained compliance with subsections (a) and (b). If, after notice to the State and an opportunity for a hearing, the Secretary determines that the State is not in compliance with such subsections, the Secretary shall reduce the amount of the allotment under such section for the State for the fiscal year involved by an amount equal to—

“(1) in the case of the first applicable fiscal year, 10 percent of the amount determined under section 1931 for the State for the fiscal year;

“(2) in the case of the first fiscal year following such applicable fiscal year, 20 percent of the amount determined under section 1931 for the State for the fiscal year;

“(3) in the case of the second such fiscal year, 30 percent of the amount determined under section 1931 for the State for the fiscal year; and

“(4) in the case of the third such fiscal year or any subsequent fiscal year, 40 percent of the amount determined under section 1931 for the State for the fiscal year.

“(d) DEFINITION.—For purposes of this section, the term ‘first applicable fiscal year’ means—

“(1) fiscal year 1995, in the case of any State described in subsection (a)(2); and

“(2) fiscal year 1994, in the case of any other State.

#### “SEC. 1926. CERTAIN PROVISIONS.

“(a) TREATMENT SERVICES FOR EMPLOYEES OF SMALL BUSINESSES.—

“(1) IN GENERAL.—A funding agreement under section 1921 for a State is that, in the case of business organizations in the State that employ 500 or fewer individuals, the State will carry out a program of assisting the organizations with the costs of providing to the employees of the organizations, and the families of the employees, prevention and treatment services regarding the abuse of alcohol and drugs (including counseling on interacting with individuals who engage in such abuse).

“(2) ALLOCATION BY STATE.—

“(A) Subject to subparagraph (B), a funding agreement under section 1921 for fiscal year 1992 is that, of the grant made under such section to the State for the fiscal year, the State will reserve \$50,000 for carrying out paragraph (1).

“(B) The Secretary may reduce the amount of funds required to be reserved by a State for purposes of subparagraph (A) if employees of business organizations described in paragraph (1) are not in need of the full amount required in subparagraph (A).

“(b) TREATMENT SERVICES FOR PREGNANT WOMEN.—

“(1) IN GENERAL.—A funding agreement under section 1921 is that the State involved—

“(A) will ensure that treatment services are available to each pregnant woman in the State who seeks or is referred to and would benefit from such services; and

“(B) will, in carrying out subparagraph (A)—

“(i) identify facilities in the State that provide treatment services to such women;

“(ii) publicize the availability to the women of services from the facilities; and



"(iii) provide to the Secretary a list of the facilities and an assessment of the capability of the programs to meet the needs of such women for treatment services.

"(2) REFERRALS BY STATES.—A funding agreement under section 1921 is that the State involved, in carrying out paragraph (1)(A)—

"(A) will require that, in the event that a treatment facility has insufficient capacity to provide treatment services to any woman described in such paragraph who seeks the services from the facility, the facility refer the woman to the State; and

"(B) will, in the case of each woman for whom a referral under subparagraph (A) is made to the State, refer the woman to a treatment facility that has the capacity to provide treatment services to the woman or will otherwise ensure that such services are made available to the woman.

"SEC. 1927. ADDITIONAL AGREEMENTS.

"(a) PERFORMANCE-BASED EVALUATION AS CONDITION OF CARRYING OUT AUTHORIZED ACTIVITIES.—A funding agreement under section 1921 is that the State involved—

"(1) will make an evaluation of an entity before providing to the entity amounts from a grant under such section in order that the entity may carry out prevention or treatment activities or both;

"(2) will provide such amounts to the entity only if the evaluation indicates that the program of the entity for carrying out the activity involved is efficient and effective; and

"(3) will conduct the evaluation according to criteria that measure the performance of the entity.

"(b) IMPROVEMENT OF PROCESS FOR APPROPRIATE REFERRALS FOR TREATMENT.—With respect to individuals seeking treatment services, a funding agreement under section 1921 is that the State involved will, relative to fiscal year 1991, improve the process in the State for referring the individuals to treatment facilities that can provide to the individuals the treatment modality that is most appropriate for the individuals.

"(c) CONTINUING EDUCATION.—With respect to any prevention or treatment facility that is receiving amounts from a grant under section 1921, a funding agreement under such section is that continuing education in treatment services will be provided by the facility to employees of the facility who provide the services.

"(d) COORDINATION OF VARIOUS ACTIVITIES AND SERVICES.—A funding agreement under section 1921 is that the State involved will coordinate prevention and treatment activities with health, social, correctional and criminal justice, educational, vocational rehabilitation, and employment services.

"(e) WAIVER OF REQUIREMENTS.—

"(1) IN GENERAL.—Upon the request of a State, the Secretary may provide to a State a waiver of any or all of the requirements established in this section if the Secretary determines that, with respect to the prevention and treatment of the abuse of alcohol and other drugs, the requirement is unnecessary for the State.

"(2) DATE CERTAIN FOR ACTING UPON REQUEST.—The Secretary shall approve or deny a request for a waiver under paragraph (1) not later than 120 days after the date on which the request is made.

"(3) APPLICABILITY OF WAIVER.—Any waiver provided by the Secretary under paragraph (1) shall be applicable only to the fiscal year involved.

"SEC. 1928. SUBMISSION TO SECRETARY OF CERTAIN INFORMATION.

"(a) STATEWIDE ASSESSMENT OF NEEDS.—

"(1) IN GENERAL.—The Secretary may not make a grant under section 1921 unless the State submits to the Secretary an assessment of the need in the State for authorized activities, both by locality and by the State in general, which assessment includes a description of—

"(A) current prevention and treatment activities in the State;

"(B) the need of the State for technical assistance to carry out such activities;

"(C) efforts by the State to improve such activities; and

"(D) the extent to which the availability of such activities is insufficient to meet the need for the activities, and the plans of the State to meet any unmet such need.

"(2) SPECIFICATION OF METHODOLOGY FOR MAKING ASSESSMENT.—The Secretary may not make a grant under section 1921 unless the assessment submitted to

the Secretary pursuant to paragraph (1) specifies the methodology through which the assessment was made.

“(b) **METHODOLOGY FOR ALLOCATIONS AMONG PREVENTION AND TREATMENT ACTIVITIES.**—The Secretary may not make a grant under section 1921 unless the State submits to the Secretary a description of the methodology by which the State will allocate the grant among prevention activities and treatment activities.

“(c) **COORDINATION WITH DRUG-FREE SCHOOLS AND COMMUNITIES ACT.**—The Secretary may not make a grant under section 1921 unless the State submits to the Secretary a description of the manner in which grants made under the Drug-Free Schools and Communities Act of 1986 coordinate with other statewide efforts on prevention and treatment activities.

“(d) **WAIVER OF REQUIREMENTS.**—

“(1) **IN GENERAL.**—Upon the request of a State, the Secretary may provide to the State a waiver of any or all of the requirements established in any of subsections (a) through (c) if the Secretary determines that, with respect to the prevention and treatment of the abuse of alcohol and other drugs, the requirement involved is unnecessary for the State.

“(2) **DATE CERTAIN FOR ACTING UPON REQUEST.**—The Secretary shall approve or deny a request for a waiver under paragraph (1) not later than 120 days after the date on which the request is made.

“(3) **APPLICABILITY.**—Any waiver provided by the Secretary under paragraph (1) shall be applicable only to the fiscal year involved.

“**SEC. 1929. RESTRICTIONS ON EXPENDITURE OF GRANT.**

“(a) **IN GENERAL.**—

“(1) **CERTAIN RESTRICTIONS.**—A funding agreement under section 1921 is that the State involved will not expend a grant under such section—

“(A) to provide inpatient hospital services, except as provided in subsection (b);

“(B) to make cash payments to intended recipients of health services;

“(C) to purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;

“(D) to satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds; or

“(E) to provide financial assistance to any entity other than a public or nonprofit private entity.

“(2) **LIMITATION ON ADMINISTRATIVE EXPENSES.**—A funding agreement under section 1921 is that the State involved will not expend more than 5 percent of a grant under such section to pay the costs of administering the grant.

“(3) **LIMITATION REGARDING PENAL AND CORRECTIONAL INSTITUTIONS.**—A funding agreement under section 1921 for a State is that, in expending a grant under such section for the purpose of providing treatment services in penal or correctional institutions of the State, the State will not expend more than an amount equal to the amount expended for such purpose by the State from the grant made under section 1912A to the State for fiscal year 1991 (as section 1912A was in effect for such fiscal year).

“(b) **EXCEPTION REGARDING INPATIENT HOSPITAL SERVICES.**—

“(1) **MEDICAL NECESSITY AS PRECONDITION.**—With respect to compliance with the agreement made under subsection (a), a State may expend a grant under section 1921 to provide inpatient hospital services as treatment for substance abuse only if it has been determined that such treatment is a medical necessity for the individual involved, and that the individual cannot be effectively treated in a community-based, nonhospital, residential program of treatment.

“(2) **RATE OF PAYMENT.**—In the case of an individual for whom a grant under section 1921 is expended to provide inpatient hospital services described in paragraph (1), a funding agreement under such section for the State involved is that the daily rate of payment provided to the hospital for providing the services to the individual will not exceed the comparable daily rate provided for community-based, nonhospital, residential programs of treatment for substance abuse.

“(c) **WAIVER REGARDING CONSTRUCTION OF FACILITIES.**—

“(1) **IN GENERAL.**—The Secretary may provide to any State a waiver of the restriction established in subsection (a)(1)(C) for the purpose of authorizing the State to expend a grant under section 1921 for the construction of a new facility or rehabilitation of an existing facility, but not for land acquisition.

“(2) **STANDARD REGARDING NEED FOR WAIVER.**—The Secretary may approve a waiver under paragraph (1) only if the State demonstrates to the Secretary that

adequate treatment cannot be provided through the use of existing facilities and that alternative facilities in existing suitable buildings are not available.

"(3) AMOUNT.—In granting a waiver under paragraph (1), the Secretary shall allow the use of a specified amount of funds to construct or rehabilitate a specified number of beds for residential treatment and a specified number of slots for outpatient treatment, based on reasonable estimates by the State of the costs of construction or rehabilitation. In considering waiver applications, the Secretary shall ensure that the State has carefully designed a program that will minimize the costs of additional beds.

"(4) MATCHING FUNDS.—The Secretary may grant a waiver under paragraph (1) only if the State agrees, with respect to the costs to be incurred by the State in carrying out the purpose of the waiver, to make available non-Federal contributions in cash toward such costs in an amount equal to not less than \$1 for each \$1 of Federal funds provided under section 1921.

"(5) DATE CERTAIN FOR ACTING UPON REQUEST.—The Secretary shall act upon a request for a waiver under paragraph (1) not later than 120 days after the date on which the request is made.

#### "SEC. 1929A. MAINTENANCE OF EFFORT REGARDING STATE EXPENDITURES.

"(a) IN GENERAL.—A funding agreement under section 1921 for a State for a fiscal year is that State will for such year maintain State expenditures for prevention and treatment activities regarding alcohol, and for prevention and treatment activities regarding other drugs, respectively, at a level that is not less than the average level of such expenditures maintained by the State for the 2-year period preceding the fiscal year for which the State is applying for the grant.

#### "(b) WAIVER.—

"(1) IN GENERAL.—Upon the request of a State, the Secretary may waive all or part of the requirement established in subsection (a) regarding alcohol, or regarding other drugs, or both, if the Secretary determines that extraordinary economic conditions in the State justify the waiver.

"(2) DATE CERTAIN FOR ACTING UPON REQUEST.—The Secretary shall approve or deny a request for a waiver under paragraph (1) not later than 120 days after the date on which the request is made.

"(3) APPLICABILITY OF WAIVER.—Any waiver provided by the Secretary under paragraph (1) shall be applicable only to the fiscal year involved.

#### "SEC. 1930. APPLICATION FOR GRANT; APPROVAL OF STATE PLAN.

"(a) IN GENERAL.—For purposes of section 1921, an application for a grant under such section for a fiscal year is in accordance with this section if—

"(1) the State involved submits the application not later than the date specified by the Secretary as being the date after which applications for such a grant will not be considered (in any case in which the Secretary specifies such a date);

"(2) the application contains each funding agreement under section 1921;

"(3) the agreements are made through certification from the chief executive officer of the State;

"(4) with respect to such agreements, the application provides assurances of compliance satisfactory to the Secretary;

"(5) the application contains the information required in section 1928;

"(6) subject to subsection (c)(2)—

"(A) the application contains a plan in accordance with subsection (b) and the plan is approved by the Secretary; and

"(B) the State provides assurances satisfactory to the Secretary that the State complied with the provisions of the plan under subparagraph (A) that was approved by the Secretary for the most recent fiscal year for which the State received a grant under section 1921; and

"(7) the application (including the plan under paragraph (6)) is otherwise in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this subpart.

#### "(b) STATE PLAN.—

"(1) IN GENERAL.—A plan submitted by a State under subsection (a)(6) is in accordance with this subsection if the plan contains detailed provisions for complying with each funding agreement under section 1921, including provisions for expending the grant under such section.

"(2) AUTHORITY OF SECRETARY REGARDING MODIFICATIONS.—As a condition of making a grant under section 1921 to a State for a fiscal year, the Secretary may require that the State modify any provision of the plan submitted by the State under subsection (a)(6) (including provisions on priorities in carrying out



authorized activities). If the Secretary approves the plan and makes the grant to the State for the fiscal year, the Secretary may not during such year require the State to modify the plan.

“(3) AUTHORITY OF OFFICE OF SUBSTANCE ABUSE PREVENTION.—With respect to plans submitted by the States under subsection (a)(6), the Secretary, acting through the Director of the Office for Substance Abuse Prevention, shall review and approve or disapprove the provisions of the plans that relate to prevention activities.

“(c) ISSUANCE OF REGULATIONS; APPLICABILITY OF REQUIREMENT OF PLAN.—

“(1) REGULATIONS.—The Secretary, acting as appropriate through the Director of the Office for Treatment Improvement or the Director of the Office for Substance Abuse Prevention, shall by regulation establish standards specifying the circumstances in which the Secretary will consider an application for a grant under section 1921 to be in accordance with this section.

“(2) APPLICABILITY OF REQUIREMENT OF PLAN.—The requirement established in subsection (a)(6) regarding a plan shall not apply until October 1 of the first fiscal year beginning after the date on which, under paragraph (1), the Secretary issues standards for the plan.

“SEC. 1931. DETERMINATION OF AMOUNT OF ALLOTMENT.

“(a) STATES.—

“(1) DETERMINATION UNDER FORMULA.—Subject to subsection (b), the Secretary shall determine the amount of the allotment required in section 1921 for a State for a fiscal year in accordance with the following formula:

$$A \left( \frac{X}{U} \right)$$

“(2) DETERMINATION OF TERM ‘A’.—For purposes of the formula specified in paragraph (1), the term ‘A’ means the difference between—

“(A) an amount equal to the amount appropriated under section 1933(a) for allotments under section 1921 for the fiscal year involved; and

“(B) an amount equal to 1.5 percent of the amount referred to in subparagraph (A).

“(3) DETERMINATION OF TERM ‘U’.—For purposes of the formula specified in paragraph (1), the term ‘U’ means the sum of the respective terms ‘X’ determined for each State under paragraph (4).

“(4) DETERMINATION OF TERM ‘X’.—

“(A) For purposes of the formula specified in paragraph (1), the term ‘X’ means the product of—

“(i) an amount equal to the term ‘P’, as determined for the State involved under subparagraph (B); and

“(ii) the greater of—

“(I) 0.4; and

“(II) an amount equal to an amount determined for the State in accordance with the following formula:

$$1-.35 \left( \frac{S}{N} \right)$$

“(B) For purposes of subparagraph (A)(i), the term ‘P’ means the sum of—

“(i) an amount equal to the product of—

“(I) 0.4; and

“(II) an amount equal to the population living in urbanized areas of the State involved, as indicated by the most recent data collected by the Bureau of the Census;

“(ii) an amount equal to the product of—

“(I) 0.2; and

“(II) an amount equal to the number of individuals in the State who are between 18 and 24 years of age (inclusive) as indicated by the most recent data collected by the Bureau of the Census;

“(iii) an amount equal to the product of—

"(I) 0.2; and

"(II) an amount equal to the number of individuals in the State who are between 25 and 44 years of age (inclusive) as indicated by the most recent data collected by the Bureau of the Census; and

"(iv) an amount equal to the product of—

"(I) 0.2; and

"(II) an amount equal to the number of individuals in the State who are between 25 and 64 years of age (inclusive) as indicated by the most recent data collected by the Bureau of the Census.

"(C) In the case of the several States, for purposes of the formula specified in subparagraph (A)(ii)(II), the term 'S' means the quotient of—

"(i) an amount equal to the most recent 3-year average of the total taxable resources of the State involved, as determined by the Secretary of the Treasury; divided by

"(ii) an amount equal to the term 'P', as determined for the State under subparagraph (B).

"(D) In the case of the several States, for purposes of the formula specified in subparagraph (A)(ii)(II), the term 'N' means the quotient of—

"(i) an amount equal to the sum of—

"(I) the sum of the respective amounts determined for each of the several States under subparagraph (C)(i); and

"(II) an amount equal to the most recent 3-year average of the total taxable resources of the District of Columbia, as determined by the Secretary of the Treasury; divided by

"(ii) an amount equal to the sum of the respective terms 'P' determined for each of the several States, and for the District of Columbia, under subparagraph (B).

"(E) In the case of the District of Columbia, for purposes of the formula specified in subparagraph (A)(ii)(II)—

"(i) the term 'S' means the quotient of—

"(I) an amount equal to the most recent 3-year average of the total personal income in such District, as determined by the Secretary of Commerce; divided by

"(II) an amount equal to the term 'P', as determined for such District under subparagraph (B); and

"(ii) the term 'N' means the quotient of—

"(I) an amount equal to the most recent 3-year average of the total personal income in the United States, as determined by the Secretary of Commerce; divided by

"(II) an amount equal to the sum of the respective terms 'P' determined for each of the several States, and for the District of Columbia, under subparagraph (B).

"(b) **MINIMUM ALLOTMENT FOR CERTAIN STATES.**—If the allotment under section 1921 for a State for a fiscal year would be less than \$7,000,000 as determined under subsection (a), the amount of the allotment under such section for the State for the fiscal year shall be the greater of—

"(1) the amount determined for the State under subsection (a); and

"(2) an amount equal to 79.4 percent of the allotment made for the State under section 1912A for fiscal year 1989 (as such section was in effect for such fiscal year).

"(c) **TERRITORIES.**—

"(1) **DETERMINATION UNDER FORMULA.**—Subject to paragraphs (2) and (4), the allotment under section 1921 for a territory of the United States shall be the product of—

"(A) an amount equal to the amounts reserved under paragraph (3); and

"(B) a percentage equal to the quotient of—

"(i) the civilian population of the territory, as indicated by the most recently available data; divided by

"(ii) the aggregate civilian population of the territories of the United States, as indicated by such data.

"(2) **MINIMUM ALLOTMENT FOR TERRITORIES.**—Each territory of the United States shall receive a minimum allotment under section 1921 of \$50,000.

"(3) **RESERVATION OF AMOUNTS.**—The Secretary shall each fiscal year reserve for the territories of the United States 1.5 percent of the amounts appropriated under section 1933(a) for allotments under section 1921 for the fiscal year.

"(4) **AVAILABILITY OF DATA ON POPULATION.**—With respect to data on the civilian population of the territories of the United States, if the Secretary deter-

mines for a fiscal year that recent such data for purposes of paragraph (1)(B) do not exist regarding a territory, the Secretary shall for such purposes estimate the civilian population of the territory by modifying the data on the territory to reflect the average extent of change occurring during the ensuing period in the population of all territories with respect to which recent such data do exist.

"(5) **APPLICABILITY OF CERTAIN PROVISIONS.**—For purposes of subsections (a) and (b), the term 'State' does not include the territories of the United States.

"(d) **INDIAN TRIBES AND TRIBAL ORGANIZATIONS.**—

"(1) **IN GENERAL.**—If the Secretary—

"(A) receives a request from the governing body of an Indian tribe or tribal organization within any State that funds under this subpart be provided directly by the Secretary to such tribe or organization; and

"(B) makes a determination that the members of such tribe or tribal organization would be better served by means of grants made directly by the Secretary under this;

the Secretary shall reserve from the allotment under section 1921 for the State for the fiscal year involved an amount that bears the same ratio to the allotment as the amount provided under this subpart to the tribe or tribal organization for fiscal year 1991 for activities relating to the prevention and treatment of the abuse of alcohol and other drugs bore to the amount of the portion of the allotment under this subpart for the State for such fiscal year that was expended for such activities.

"(2) **TRIBE OR TRIBAL ORGANIZATION AS GRANTEE.**—The amount reserved by the Secretary on the basis of a determination under this paragraph shall be granted to the Indian tribe or tribal organization serving the individuals for whom such a determination has been made.

"(3) **APPLICATION.**—In order for an Indian tribe or tribal organization to be eligible for a grant for a fiscal year under this paragraph, it shall submit to the Secretary a plan for such fiscal year that meets such criteria as the Secretary may prescribe.

"(4) **DEFINITION.**—The terms 'Indian tribe' and 'tribal organization' have the same meaning given such terms in subsections (b) and (c) of section 4 of the Indian Self-Determination and Education Assistance Act.

#### "SEC. 1932. DEFINITIONS.

"For purposes of this part:

"(1) The term 'authorized activities', subject to section 1929, means the activities described in section 1921(b).

"(2) The term 'funding agreement under section 1921' means an agreement that is required in section 1921(a) as a condition of receiving a grant under such section.

"(3) The term 'prevention activities', subject to section 1929, means activities to prevent the abuse of alcohol, or other drugs, or both, as indicated by the context of usage.

"(4) The term 'substance abuse' means the abuse of alcohol or other drugs.

"(5) The term 'treatment activities' means treatment services and, subject to section 1929, authorized activities that are related to treatment services.

"(6) The term 'treatment facility' means an entity that provides treatment services.

"(7) The term 'treatment services', subject to section 1929, means treatment for the abuse of alcohol, or other drugs, or both, as indicated by the context of usage.

#### "SEC. 1933. FUNDING.

"(a) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out this subpart, subpart III and section 509D with respect to substance abuse, and section 571(b)(11), there are authorized to be appropriated \$1,057,000,000 for fiscal year 1992, \$1,100,000,000 for fiscal year 1993, and \$1,150,000,000 for fiscal year 1994.

"(b) **ALLOCATIONS FOR TECHNICAL ASSISTANCE AND DATA COLLECTION AND DISSEMINATION.**—

"(1) **IN GENERAL.**—

"(A) For the purpose of carrying out sections 1949(a) with respect to substance abuse, section 508(d), and for the purpose specified in subparagraph (B), the Secretary shall obligate 3 percent of the amounts appropriated under subsection (a) for a fiscal year.

"(B) The purpose specified in this subparagraph is the collection of data—

"(i) to assist in the operation of publicly-supported systems for treatment services; and



“(ii) to assist the States in the preparation of the plans required in section 1930(a)(6).

“(2) **ACTIVITIES OF OFFICE FOR SUBSTANCE ABUSE PREVENTION.**—Of the amounts reserved under paragraph (1) for a fiscal year, the Secretary shall obligate 20 percent for carrying out section 1949(a) with respect to prevention activities and for carrying out section 508(d).

“(c) **PROGRAM FOR PREGNANT AND POSTPARTUM WOMEN.**—For the purpose of carrying out section 509F, the Secretary shall obligate 2 percent of the amounts appropriated under subsection (a) for a fiscal year.

“(d) **AVAILABILITY TO STATES.**—

“(1) **IN GENERAL.**—Subject to paragraph (2), any amounts paid to a State under section 1921 shall be available for obligation until the end of the fiscal year for which the amounts were paid, and if obligated by the end of such year, shall remain available for expenditure until the end of the succeeding fiscal year.

“(2) **EXCEPTION REGARDING NONCOMPLIANCE OF SUBGRANTEES.**—If a State has in accordance with paragraph (1) obligated amounts paid to the State under section 1921, in any case in which the Secretary determines that the obligation consists of a grant or contract awarded by the State, and that the State has terminated or reduced the amount of such financial assistance on the basis of the failure of the recipient of the assistance to comply with the terms upon which the assistance was conditioned—

“(A) the amounts involved shall be available for reobligation by the State through September 30 of the fiscal year following the fiscal year for which the amounts were paid to the State; and

“(B) any of such amounts that are obligated by the State in accordance with subparagraph (A) shall be available for expenditure through such date.”.

#### SEC. 103. GENERAL PROVISIONS REGARDING BLOCK GRANTS.

Part B of title XIX of the Public Health Service Act, as amended by section 102 of this Act, is amended by adding at the end the following:

### “Subpart III—General Provisions

#### “SEC. 1941. SUBMISSION OF DESCRIPTION OF INTENDED USES OF BLOCK GRANT.

“(a) **ANNUAL APPROVAL BY SECRETARY.**—The Secretary may not make a grant under subpart I or II for a fiscal year unless—

“(1)(A) the State involved submits to the Secretary a description of the purposes for which the State intends to expend the grant for the fiscal year;

“(B) the description identifies the populations, areas, and localities in the State with a need for the services or activities authorized in the program involved; and

“(C) the description provides information relating to the programs and activities to be supported and services to be provided; and

“(2) the Secretary approves the description.

“(b) **OPPORTUNITY FOR PUBLIC COMMENT.**—The Secretary may not make a grant under subpart I or II for a fiscal year unless the State involved agrees to make the description required in subsection (a) public within the State in such manner as to facilitate comment from any person (including any Federal or other public agency) during the development of the description (including any revisions) and after the submission of the description pursuant to such subsection.

#### “SEC. 1942. REQUIREMENT OF REPORTS AND AUDITS BY STATES.

“(a) **REPORT.**—The Secretary may not make a grant under subpart I or II for a fiscal year unless the State involved submits to the Secretary a report in such form and containing such information as the Secretary determines (after consultation with the States and the Comptroller General) to be necessary for securing a record and a description of—

“(1) the purposes for which the grant received by the State for the preceding fiscal year under the program involved were expended and a description of the activities of the State under the program;

“(2) the recipients of amounts provided in the grant; and

“(3) determining whether the grant was expended in accordance with the program involved and consistent with the needs within the State identified pursuant to section 1941(a)(1)(B).

“(b) AUDITS.—The Secretary may not make a grant under subpart I or II unless, with respect to the grant, the State involved agrees to comply with chapter 75 of title 31, United States Code.

“(c) PERFORMANCE REVIEWS.—For fiscal year 1994 and subsequent fiscal years, the Secretary may not make a grant under subpart I or II for a fiscal year unless the expenditures of the grant made to the State for the second fiscal year preceding such fiscal year have undergone a thorough performance review in accordance with standards established by the Comptroller General.

“(d) AVAILABILITY TO PUBLIC.—The Secretary may not make a grant under subpart I or II unless the State involved agrees—

“(1) to make copies of the reports and audits described in this section available for public inspection within the State;

“(2) to provide copies of the report under subsection (a), upon request, to any interested person (including any public agency); and

“(3) to make available for public inspection a copy of any audit report under paragraph (2) not later than 30 days after the completion of an audit under such paragraph.

“SEC. 1943. ADDITIONAL REQUIREMENTS.

“(a) IN GENERAL.—The Secretary may not, except as provided in subsection (c), make a grant under subpart I or II for a fiscal year unless the State involved agrees that—

“(1) the legislature of the State will conduct public hearings on the proposed use and distribution of the grant to be received for the fiscal year;

“(2) the State will provide for annual independent peer review to assess the quality and appropriateness of treatment services provided by a representative sample of entities that receive funds from the State pursuant to the program involved;

“(3) the State will permit and cooperate with Federal investigations undertaken in accordance with section 1947; and

“(4) the State will provide to the Secretary any data required by the Secretary pursuant to section 509D and will cooperate with the Secretary in the development of uniform criteria for the collection of data pursuant to such section.

“(b) PATIENT RECORDS.—The Secretary may not make a grant under subpart I or II unless the State involved has in effect a system to protect from inappropriate disclosure patient records maintained by the State in connection with an activity funded under the program involved or by any entity which is receiving amounts from the grant.

“SEC. 1944. CONSOLIDATION OF APPLICATIONS REGARDING SUBPARTS I AND II.

“The Secretary may, for any fiscal year, authorize any State to submit to the Secretary a single application through which the State requests funds under both subparts I and II, subject to the application meeting the requirements of sections 1915 and 1930, respectively.

“SEC. 1945. DISPOSITION OF CERTAIN FUNDS APPROPRIATED FOR ALLOTMENTS.

“(a) IN GENERAL.—Amounts described in subsection (b) and available for a fiscal year pursuant to subpart I or II, as the case may be, shall be allotted by the Secretary to States receiving a grant under the program involved, other than any State referred to in paragraph (1)(C) of subsection (b), any State with respect to which paragraph (2) of such subsection applies, and in the case of the program established in subpart I, any State to which paragraph (3) of such subsection applies. Such amounts shall be allotted in a manner equivalent to the manner in which the allotment under the program involved was determined.

“(b) SPECIFICATION OF AMOUNTS.—The amounts referred to in subsection (a) are any amounts that—

“(1) are not paid to States under the program involved as a result of—

“(A) the failure of any State to submit an application in accordance with the program;

“(B) the failure of any State to prepare, within a reasonable period of time, such application in compliance with the program; or

“(C) any State informing the Secretary that the State does not intend to expend the full amount of the allotment made to the State under the program;

“(2) are terminated, repaid, or offset under section 1946; or

“(3) in the case of the program established in subpart I, are withheld from allotments under section 1911 pursuant to reductions under section 1912(c).

"SEC. 1946. FAILURE TO COMPLY WITH AGREEMENTS.

"(a) **SUSPENSION OR TERMINATION OF PAYMENTS.**—Subject to subsection (d), if the Secretary determines that a State has materially failed to comply with the agreements required as a condition of receiving a grant under the program involved, the Secretary may suspend payments under the grant, terminate the grant for cause, or employ such other remedies (in addition to remedies provided for in subsections (b) and (c)) as may be legally available and appropriate in the circumstances involved.

"(b) **REPAYMENT OF PAYMENTS.**—

"(1) **IN GENERAL.**—Subject to subsection (d), the Secretary may require a State to repay with interest any payments received by the State under subpart I or II that the Secretary determines were not expended by the State in accordance with the agreements required under the program involved.

"(2) **OFFSET AGAINST PAYMENTS.**—If a State fails to make a repayment required in paragraph (1), the Secretary may offset the amount of the repayment against the amount of any payment due to be paid to the State under the program involved.

"(c) **WITHHOLDING OF PAYMENTS.**—

"(1) **IN GENERAL.**—Subject to subsections (d) and (f)(4), the Secretary may withhold payments due under subpart I or II if the Secretary determines that the State involved is not expending amounts received under the program involved in accordance with the agreements required under the program.

"(2) **TERMINATION OF WITHHOLDING.**—The Secretary shall cease withholding payments from a State under paragraph (1) if the Secretary determines that there are reasonable assurances that the State will expend amounts received under the program involved in accordance with the agreements required under the program.

"(d) **OPPORTUNITY FOR HEARING.**—Before taking action against a State under any of subsections (a) through (c), the Secretary shall provide to the State involved adequate notice and an opportunity for a hearing.

"(e) **PROMPT RESPONSE TO SERIOUS COMPLAINTS.**—The Secretary shall promptly respond to any complaint of a substantial or serious nature that a State is in violation of any of the agreements required in the program involved as a condition of receiving a grant under the program, and shall promptly determine whether a hearing under subsection (d) should be held regarding the alleged violation.

"(f) **INVESTIGATIONS.**—

"(1) **REQUIREMENT REGARDING SECRETARY.**—The Secretary shall each fiscal year conduct in not less than 15 States investigations of the expenditure of grants received by the States under subpart I or II in order to evaluate compliance with the agreements required under in the program involved.

"(2) **AUTHORITY REGARDING COMPTROLLER GENERAL.**—The Comptroller General may conduct investigations of the expenditure of grants received by the States under subpart I or II in order to ensure compliance with the agreements required under the program involved.

"(3) **PROVISION OF RECORDS ETC. UPON REQUEST.**—Each State receiving a grant under subpart I or II, and each entity receiving funds from the grant, shall make appropriate books, documents, papers, and records available to the Secretary or the Comptroller General, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request therefor.

"(4) **LIMITATIONS ON AUTHORITY.**—The Secretary may not institute proceedings to withhold funds under subsection (c) unless the Secretary has conducted an investigation concerning whether the State has expended payments under the program involved in accordance with the agreements required under the program. Any such investigation shall be conducted within the State by qualified investigators.

"SEC. 1947. PROHIBITIONS REGARDING RECEIPT OF FUNDS.

"(a) **ESTABLISHMENT.**—

"(1) **CERTAIN FALSE STATEMENTS AND REPRESENTATIONS.**—A person shall not knowingly and willfully make or cause to be made any false statement or representation of a material fact in connection with the furnishing of items or services for which payments may be made by a State from the grant made to the State under subpart I or II.

"(2) **CONCEALING OR FAILING TO DISCLOSE CERTAIN EVENTS.**—A person with knowledge of the occurrence of any event affecting the initial or continued right of the person to receive any payments from a grant made to a State under subpart I or II shall not conceal or fail to disclose any such event with an intent



fraudulently to secure such payment either in a greater amount than is due or when no such amount is due.

"(b) CRIMINAL PENALTY FOR VIOLATION OF PROHIBITION.—Any person who violates any prohibition established in subsection (a) shall for each violation be fined in accordance with title 18, United States Code, or imprisoned for not more than 5 years, or both.

"SEC. 1948. NONDISCRIMINATION.

"(a) IN GENERAL.—

"(1) RULE OF CONSTRUCTION REGARDING CERTAIN CIVIL RIGHTS LAWS.—For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under title IX of the Education Amendments of 1972, or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964, programs and activities funded in whole or in part with funds made available under subpart I or II shall be considered to be programs and activities receiving Federal financial assistance.

"(2) PROHIBITION.—No person shall on the ground of sex or religion be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under subpart I or II.

"(b) ENFORCEMENT.—

"(1) REFERRALS TO ATTORNEY GENERAL AFTER NOTICE.—Whenever the Secretary finds that a State, or an entity that has received a payment pursuant to subpart I or II, has failed to comply with a provision of law referred to in subsection (a)(1), with subsection (a)(2), or with an applicable regulation (including one prescribed to carry out subsection (a)(2)), the Secretary shall notify the chief executive officer of the State and shall request the chief executive officer to secure compliance. If within a reasonable period of time, not to exceed 60 days, the chief executive officer fails or refuses to secure compliance, the Secretary may—

"(A) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

"(B) exercise the powers and functions provided by the Age Discrimination Act of 1975, section 504 of the Rehabilitation Act of 1973, title IX of the Education Amendments of 1972, or title VI of the Civil Rights Act of 1964, as may be applicable; or

"(C) take such other actions as may be authorized by law.

"(2) AUTHORITY OF ATTORNEY GENERAL.—When a matter is referred to the Attorney General pursuant to paragraph (1)(A), or whenever the Attorney General has reason to believe that a State or an entity is engaged in a pattern or practice in violation of a provision of law referred to in subsection (a)(1) or in violation of subsection (a)(2), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

"SEC. 1949. TECHNICAL ASSISTANCE AND PROVISION OF SUPPLIES AND SERVICES IN LIEU OF GRANT FUNDS.

"(a) TECHNICAL ASSISTANCE.—The Secretary shall, without charge to a State receiving a grant under subpart I or II, provide to the State (or to any public or non-profit private entity within the State) technical assistance with respect to the planning, development, and operation of any program or service carried out pursuant to the program involved. The Secretary may provide such technical assistance directly, through contract, or through grants.

"(b) PROVISION OF SUPPLIES AND SERVICES IN LIEU OF GRANT FUNDS.—

"(1) IN GENERAL.—Upon the request of a State receiving a grant under subpart I or II, the Secretary may, subject to paragraph (2), provide supplies, equipment, and services for the purpose of aiding the State in carrying out the program involved and, for such purpose, may detail to the State any officer or employee of the Department of Health and Human Services.

"(2) CORRESPONDING REDUCTION IN PAYMENTS.—With respect to a request described in paragraph (1), the Secretary shall reduce the amount of payments under the program involved to the State by an amount equal to the costs of detailing personnel and the fair market value of any supplies, equipment, or services provided by the Secretary. The Secretary shall, for the payment of expenses incurred in complying with such request, expend the amounts withheld.

**"SEC. 1950. REPORT BY SECRETARY.**

"Not later than October 1, 1993, the Secretary shall submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report on the activities of the States carried out pursuant to subparts I and II. Such report may include any recommendations of the Secretary for appropriate changes in legislation.

**"SEC. 1951. RULE OF CONSTRUCTION REGARDING DELEGATION OF AUTHORITY TO STATES.**

"With respect to States receiving grants under any of the subparts of this part, this part may not be construed to authorize the Secretary to delegate to the States the primary responsibility for interpreting the governing provisions of this part, including delegating authority with the result that different States are permitted to reach different interpretations of any provision of this part.

**"SEC. 1952. DEFINITIONS.**

"(a) **DEFINITIONS FOR SUBPART III.**—For purposes of this subpart, the term 'program involved' means the program of allotments established in subpart I or II, or both, as indicated by whether the State involved is receiving or is applying to receive a grant under subpart I or II, or both.

"(b) **DEFINITIONS FOR PART B.**—For purposes of this part:

"(1) The term 'Comptroller General' means the Comptroller General of the United States.

"(2) The term 'State', except as provided in sections 1916(c)(5) and 1931(c)(5), means each of the several States, the District of Columbia, and each of the territories of the United States.

"(3) The term 'territories of the United States' means each of the Commonwealth of Puerto Rico, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, the Virgin Islands, and any other territory or possession of the United States."

**SEC. 104. RELATED CATEGORICAL PROGRAMS.**

Title XIX of the Public Health Service Act (42 U.S.C. 300w et seq.) is amended by adding at the end the following new part:

**"PART C—RELATED CATEGORICAL GRANTS"**

**"Subpart I—Mental Health**

**"SEC. 1961. COMPREHENSIVE COMMUNITY MENTAL HEALTH SERVICES FOR CHILDREN WITH SERIOUS EMOTIONAL DISTURBANCES.**

"(a) **GRANTS TO CERTAIN PUBLIC ENTITIES.**—

"(1) **IN GENERAL.**—The Secretary, acting through the Director of the National Institute of Mental Health, shall make grants to public entities for the purpose of providing comprehensive community mental health services to children with a serious emotional disturbance. The Secretary may make such a grant only if the public entity involved makes each of the agreements described in this subpart.

"(2) **DEFINITION OF PUBLIC ENTITY.**—For purposes of this subpart, the term 'public entity' means any State, any political subdivision of a State, and any Indian tribe or tribal organization (as defined in section 4(b) and section 4(c) of the Indian Self-Determination and Education Assistance Act).

"(b) **CONSIDERATIONS IN MAKING GRANTS.**—

"(1) **REQUIREMENT OF STATUS AS GRANTEE REGARDING BLOCK GRANTS UNDER SUBPART I.**—The Secretary may not make a grant under subsection (a) to a public entity unless—

"(A) in the case of a public entity that is a State, the State is receiving payments under subpart I;

"(B) in the case of a public entity that is a political subdivision of a State, the State in which the political subdivision is located is receiving such payments; and

"(C) in the case of a public entity that is an Indian tribe or tribal organization, the State in which the tribe or tribal organization is located is receiving such payments.

"(2) **CERTAIN CONSIDERATIONS.**—In making grants under subsection (a), the Secretary shall—

"(A) equitably allocate such assistance among the principal geographic regions of the United States;

"(B) consider the extent to which the public entity involved has a need for the grant;

"(C) give special consideration to any public entity that agrees, as a condition of the receipt of such a grant, to provide non-Federal contributions under subsection (c) in a greater amount than the amount required under such subsection for the applicable fiscal year; and

"(D) in the case of any public entity that is a political subdivision of a State or that is an Indian tribe or tribal organization—

"(i) shall consider any comments regarding the application of the entity for such a grant that are received by the Secretary from the State in which the entity is located; and

"(ii) shall give special consideration to the entity if the State agrees to provide a portion of the non-Federal contributions required in subsection (c) regarding such a grant.

"(c) MATCHING FUNDS.—

"(1) IN GENERAL.—An agreement referred to in subsection (a) is that the public entity involved will, with respect to the costs to be incurred by the entity in carrying out the purpose described in such subsection, make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount that is—

"(A) for the first fiscal year for which the entity receives payments from a grant under subsection (a), not less than \$1 for each \$3 of Federal funds provided in the grant;

"(B) for any second or third such fiscal year, not less than \$1 for each \$3 of Federal funds provided in the grant;

"(C) for any fourth such fiscal year, not less than \$1 for each \$1 of Federal funds provided in the grant; and

"(D) for any fifth such fiscal year, not less than \$2 for each \$1 of Federal funds provided in the grant.

"(2) DETERMINATION OF AMOUNT OF NON-FEDERAL CONTRIBUTION.—

"(A) Non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

"(B) In making a determination of the amount of non-Federal contributions for purposes of subparagraph (A), the Secretary may include only non-Federal contributions in excess of the average amount of non-Federal contributions made by the public entity involved toward the purpose described in subsection (a) for the 2-year period preceding the first fiscal year for which the entity receives a grant under such section.

"SEC. 1962. REQUIREMENTS WITH RESPECT TO CARRYING OUT PURPOSE OF GRANTS.

"(a) SYSTEMS OF COMPREHENSIVE CARE.—

"(1) IN GENERAL.—An agreement referred to in section 1961(a) is that, with respect to children with a serious emotional disturbance, the public entity involved will carry out the purpose described in such section only through establishing and operating 1 system of care for making each of the mental health services specified in subsection (c) available to each child admitted to the system. In providing for such a system, the public entity may make grants to, and enter into contracts with, public and nonprofit private entities.

"(2) STRUCTURE OF SYSTEM.—An agreement referred to in section 1961(a) is that a system of care under paragraph (1) will—

"(A) be established in a community selected by the public entity involved;

"(B) consist of such public agencies and nonprofit private entities in the community as are necessary to ensure that each of the services specified in subsection (c) is available to each child admitted to the system;

"(C) be established pursuant to agreements that the public entity enters into with the agencies and entities described in subparagraph (B);

"(D) coordinate the provision of the services of the system; and

"(E) establish an office whose functions are to serve as the location through which children are admitted to the system, to coordinate the provision of services of the system, and to provide information to the public regarding the system.

"(3) COLLABORATION OF LOCAL PUBLIC ENTITIES.—An agreement referred to in section 1961(a) is that, for purposes of the establishment and operation of a system of care under paragraph (1), the public entity involved will ensure col-



laboration among all public agencies that provide human services in the community in which the system is established, including but not limited to those providing mental health services, educational services, child welfare services, or juvenile justice services.

"(b) **LIMITATION ON AGE OF CHILDREN ADMITTED TO SYSTEM.**—An agreement referred to in section 1961(a) is that a system of care under subsection (a) will not admit an individual to the system if the individual is more than 21 years of age.

"(c) **REQUIRED MENTAL HEALTH SERVICES OF SYSTEM.**—An agreement referred to in section 1961(a) is that mental health services provided by a system of care under subsection (a) will include, with respect to a serious emotional disturbance in a child—

"(1) diagnostic and evaluation services;

"(2) outpatient services provided in a clinic, office, school or other appropriate location, including individual, group and family counseling services, professional consultation, and review and management of medications;

"(3) emergency services, available 24-hours a day, 7 days a week;

"(4) intensive home-based services for children and their families when the child is at imminent risk of out-of-home placement;

"(5) intensive day-treatment services;

"(6) respite care;

"(7) therapeutic foster care services, and services in therapeutic foster family homes or individual therapeutic residential homes, and groups homes caring for not more than 8 children; and

"(8) assisting the child in making the transition from the services received as a child to the services to be received as an adult.

"(d) **REQUIRED ARRANGEMENTS REGARDING OTHER APPROPRIATE SERVICES.**—

"(1) **IN GENERAL.**—An agreement referred to in section 1961(a) is that—

"(A) a system of care under subsection (a) will enter into a memorandum of understanding with each of the providers specified in paragraph (2) in order to facilitate the availability of the services of the provider involved to each child admitted to the system; and

"(B) the grant under such section 1961(a), and the non-Federal contributions made with respect to the grant, will not be expended to pay the costs of providing such linked non-mental-health services to any individual.

"(2) **SPECIFICATION OF SERVICES.**—The providers referred to in paragraph (1) are providers of medical services other than mental health services, providers of educational services, providers of vocational counseling and vocational rehabilitation services, and providers of protection and advocacy services with respect to mental health.

"(3) **FACILITATION OF SERVICES OF CERTAIN PROGRAMS.**—An agreement referred to in section 1961(a) is that a system of care under subsection (a) will, for purposes of paragraph (1), enter into a memorandum of understanding regarding facilitation of—

"(A) services available pursuant to title XIX of the Social Security Act, including services regarding early periodic screening, diagnosis, and treatment;

"(B) services available under parts B and H of the Individuals with Disabilities Education Act; and

"(C) services available under other appropriate programs, as identified by the Secretary.

"(e) **GENERAL PROVISIONS REGARDING SERVICES OF SYSTEM.**—

"(1) **CASE MANAGEMENT SERVICES.**—An agreement referred to in section 1961(a) is that a system of care under subsection (a) will provide for the case management of each child admitted to the system in order to ensure that—

"(A) the services provided through the system to the child are coordinated and that the need of each such child for the services is periodically reassessed;

"(B) information is provided to the family of the child on the extent of progress being made toward the objectives established for the child under the plan of services implemented for the child pursuant to section 1963; and

"(C) the system provides assistance with respect to—

"(i) establishing the eligibility of the child, and the family of the child, for financial assistance and services under Federal, State, or local programs providing for health services, mental health services, educational services, social services, or other services; and

"(ii) seeking to ensure that the child receives appropriate services available under such programs.

"(2) OTHER PROVISIONS.—An agreement referred to in section 1961(a) is that a system of care under subsection (a), in providing the services of the system, will—

"(A) provide the services of the system in the cultural context that is most appropriate for the child and family involved;

"(B) ensure that individuals providing such services to the child can effectively communicate with the child and family in the most direct manner;

"(C) provide the services without discriminating against the child or the family of the child on the basis of race, religion, national origin, sex, disability, or age;

"(D) seek to ensure that each child admitted to the system of care remains in the least restrictive, most normative environment that is clinically appropriate; and

"(E) provide outreach services to inform individuals, as appropriate, of the services available from the system, including identifying children with a serious emotional disturbance who are in the early stages of such disturbance.

"(3) RULE OF CONSTRUCTION.—An agreement made under paragraph (2) may not be construed—

"(A) with respect to subparagraph (C) of such paragraph—

"(i) to prohibit a system of care under subsection (a) from requiring that, in housing provided by the grantee for purposes of residential treatment services authorized under subsection (c), males and females be segregated to the extent appropriate in the treatment of the children involved; or

"(ii) to prohibit the system of care from complying with the agreement made under subsection (b); or

"(B) with respect to subparagraph (D) of such paragraph, to authorize the system of care to expend the grant under section 1961(a) (or the non-Federal contributions made with respect to the grant) to provide legal services or any service with respect to which expenditures regarding the grant are prohibited under subsection (d)(1)(B).

"(f) RESTRICTIONS ON USE OF GRANT.—An agreement referred to in section 1961(a) is that the grant under such section, and the non-Federal contributions made with respect to the grant, will not be expended—

"(1) to purchase or improve real property (including the construction or renovation of facilities);

"(2) to provide for room and board in residential programs serving 8 or fewer children;

"(3) to provide for room and board or other services or expenditures associated with care of children in residential treatment centers serving more than 8 children or in inpatient hospital settings, except intensive home-based services and other services provided on an ambulatory or outpatient basis; or

"(4) to provide for the training of any individual, except training authorized in section 1964(a)(2) and training provided through any appropriate course in continuing education whose duration does not exceed 2 days.

#### "SEC. 1963. INDIVIDUALIZED PLAN FOR SERVICES.

"(a) IN GENERAL.—An agreement referred to in section 1961(a) is that a system of care under section 1962(a) will develop and implement an individualized plan of services for each child admitted to the system, and that the plan will be developed and implemented with the participation of the family of the child and, unless clinically inappropriate, with the participation of the child.

"(b) CONTENTS OF PLAN.—An agreement referred to in section 1961(a) is that the individualized plan under subsection (a) for a child will—

"(1) be developed, and reviewed and as appropriate revised not less than once each year, by a multidisciplinary team of appropriately qualified individuals who provide services through the system, including mental health services, other health services, educational services, social services, and, subject to paragraph (3), vocational counseling and vocational rehabilitation;

"(2) identify and state the needs of the child for the services available pursuant to section 1962 through the system;

"(3) provide for each of such services that is appropriate to the circumstances of the child, including, except in the case of children who are less than 14 years of age, the provision of appropriate vocational counseling and vocational rehabilitation;

"(4) establish objectives to be achieved regarding the needs of the child and the methodology for achieving the objectives; and

"(5) designate an individual to be responsible for providing the case management required in section 1962(e)(1).

**"SEC. 1964. ADDITIONAL PROVISIONS.**

"(a) **OPTIONAL SERVICES.**—In addition to services described in subsection (c) of section 1962, a system of care under subsection (a) of such section may, in expending a grant under section 1961(a), provide for—

"(1) preliminary assessments to determine whether a child should be admitted to the system;

"(2) training in the administration of the system, in providing foster care or group homes under section 1962(c)(7), and in the development of individualized plans for purposes of section 1963;

"(3) recreational activities for children admitted to the system; and

"(4) such other services as may be appropriate in providing for the comprehensive needs with respect to mental health of children with a serious emotional disturbance.

"(b) **COMPREHENSIVE PLAN.**—The Secretary may not make a grant under section 1961(a) unless, with respect to the jurisdiction of the public entity involved, the entity has submitted to the Secretary, and has had approved by the Secretary, a plan for the development of a jurisdiction-wide system of care for community-based services for children with a serious emotional disturbance that specifies the progress the public entity has made in developing the jurisdiction-wide system, the extent of cooperation across agencies serving children in the establishment of the system, the Federal and non-Federal resources currently committed to the establishment of the system, and the current gaps in community services and the manner in which the grant under section 1961(a) will be expended to address such gaps and establish local systems of care.

"(c) **LIMITATION ON IMPOSITION OF FEES FOR SERVICES.**—An agreement referred to in section 1961(a) is that, if a charge is imposed for the provision of services under a grant under such section, such charge—

"(1) will be made according to a schedule of charges that is made available to the public;

"(2) will be adjusted to reflect the income of the family of the child involved; and

"(3) will not be imposed on any child whose family has income and resources of equal to or less than 100 percent of the official poverty line, as established by the Director of the Office of Management and Budget and revised by the Secretary in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981.

"(d) **RELATIONSHIP TO ITEMS AND SERVICES UNDER OTHER PROGRAMS.**—An agreement under section 1961(a) is that the grant under such section, and the non-Federal contributions made with respect to the grant, will not be expended to make payment for any item or service to the extent that payment has been made, or can reasonably be expected to be made, with respect to such item or service—

"(1) under any State compensation program, under an insurance policy, or under any Federal or State health benefits program; or

"(2) by an entity that provides health services on a prepaid basis.

"(e) **LIMITATION ON ADMINISTRATIVE EXPENSES.**—An agreement under section 1961(a) is that not more than 2 percent of the grant under such section will be expended for administrative expenses incurred with respect to the grant by the public entity involved.

"(f) **REPORTS TO SECRETARY.**—An agreement referred to in section 1961(a) is that the public entity involved will annually submit to the Secretary a report on the activities of the entity under the grant that includes a description of the number of children admitted to systems of care operated pursuant to the grant, the demographic characteristics of the children, the types and costs of services provided pursuant to the grant, estimates of the unmet need for such services in the jurisdiction of the entity, and the manner in which the grant has been expended toward the establishment of a jurisdiction-wide system of care for children with a serious emotional disturbance, and such other information as the Secretary may require with respect to the grant.

"(g) **DESCRIPTION OF INTENDED USES OF GRANT.**—The Secretary may not make a grant under section 1961(a) unless—

"(1) the public entity involved submits to the Secretary a description of the purposes for which the entity intends to expend the grant;



"(2) the description identifies the populations, areas, and localities in the jurisdiction of the entity with a need for services under this section; and

"(3) the description provides information relating to the services and activities to be provided, including a description of the manner in which the services and activities will be coordinated with any similar services or activities of public or nonprofit entities.

"(h) REQUIREMENT OF APPLICATION.—The Secretary may not make a grant under section 1961(a) unless an application for the grant is submitted to the Secretary, the application contains the description of intended uses required in subsection (g), and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

"SEC. 1965. GENERAL PROVISIONS.

"(a) DURATION OF SUPPORT.—The period during which payments are made to a public entity from a grant under section 1961(a) may not exceed 5 fiscal years.

"(b) TECHNICAL ASSISTANCE.—

"(1) IN GENERAL.—The Secretary shall, upon the request of a public entity receiving a grant under section 1961(a)—

"(A) provide technical assistance to the entity regarding the process of submitting to the Secretary applications for grants under section 1961(a); and

"(B) provide to the entity training and technical assistance with respect to the planning, development, and operation of systems of care pursuant to section 1962.

"(2) AUTHORITY FOR GRANTS AND CONTRACTS.—The Secretary may provide technical assistance under subsection (a) directly or through grants to, or contracts with, public and nonprofit private entities.

"(c) EVALUATIONS AND REPORTS BY SECRETARY.—

"(1) IN GENERAL.—The Secretary shall, directly or through contracts with public or private entities, provide for annual evaluations of programs carried out pursuant to section 1961(a). The evaluations shall assess the effectiveness of the systems of care operated pursuant to such section, including longitudinal studies of outcomes of services provided by such systems, other studies regarding such outcomes, the effect of activities under this subpart on the utilization of hospital and other institutional settings, the barriers to and achievements resulting from interagency collaboration in providing community-based services to children with a serious emotional disturbance, and assessments by parents of the effectiveness of the systems of care.

"(2) REPORT TO CONGRESS.—The Secretary shall, not later than 1 year after the date on which amounts are first appropriated under subsection (c), and annually thereafter, submit to the Congress a report summarizing evaluations carried out pursuant to paragraph (1) during the preceding fiscal year and making such recommendations for administrative and legislative initiatives with respect to this section as the Secretary determines to be appropriate.

"(d) DEFINITIONS.—For purposes of this subpart:

"(1) The term 'child' means an individual not more than 21 years of age.

"(2) The term 'family', with respect to a child admitted to a system of care under section 1962(a), means—

"(A) the legal guardian of the child; and

"(B) as appropriate regarding mental health services for the child, the parents of the child (biological or adoptive, as the case may be) and any foster parents of the child.

"(3) The term 'serious emotional disturbance' includes, with respect to a child, any child who has a serious emotional disorder, a serious behavioral disorder, or a serious mental disorder.

"(e) FUNDING.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this subpart, there are authorized to be appropriated \$100,000,000 for fiscal year 1993, \$200,000,000 for fiscal year 1994, and \$300,000,000 for fiscal year 1995.

"(2) SET-ASIDE REGARDING TECHNICAL ASSISTANCE.—Of the amounts appropriated under paragraph (1) for a fiscal year, the Secretary shall make available not less than \$3,000,000 for the purpose of carrying out subsection (b).

## “Subpart II—Substance Abuse

### “SEC. 1971. GRANTS TO STATES FOR EXPANDING CAPACITY TO PROVIDE TREATMENT FOR SUBSTANCE ABUSE.

#### “(a) GRANTS FOR STATES WITH INSUFFICIENT CAPACITY.—

“(1) IN GENERAL.—The Secretary, acting through the Director of the Office for Treatment Improvement, may make grants to States for the purpose of increasing the maximum number of individuals to whom public and nonprofit private entities in the States are capable of providing effective treatment for substance abuse.

“(2) ELIGIBLE STATES.—The Director may not make a grant under subsection (a) to a State unless the number of individuals seeking treatment services in the State significantly exceeds the maximum number described in paragraph (1) that is applicable to the State.

#### “(b) PRIORITY IN MAKING GRANTS.—

“(1) RESIDENTIAL TREATMENT SERVICES FOR PREGNANT WOMEN.—In making grants under subsection (a), the Director shall give priority to States that agree to give priority in the expenditure of the grant to carrying out the purpose described in such subsection as the purpose relates to the provision of residential treatment services to pregnant women.

“(2) ADDITIONAL PRIORITY REGARDING MATCHING FUNDS.—In the case of any application for a grant under subsection (a) that is receiving priority under paragraph (1), the Director shall give further priority to the application if the State involved agrees as a condition of receiving the grant to provide non-Federal contributions under subsection (c) in a greater amount than the amount required under such subsection for the applicable fiscal year.

#### “(c) REQUIREMENT OF MATCHING FUNDS.—

“(1) IN GENERAL.—Subject to paragraph (3), the Director may not make a grant under subsection (a) unless the State agrees, with respect to the costs of the program to be carried out by the State pursuant to such subsection, to make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount that—

“(A) for the first fiscal year for which the State receives such a grant, is not less than \$1 for each \$9 of Federal funds provided in the grant;

“(B) for any second such fiscal year, is not less than \$1 for each \$2 of Federal funds provided in the grant; and

“(C) for any subsequent such fiscal year, is not less than \$1 for each \$1 of Federal funds provided in the grant.

“(2) DETERMINATION OF AMOUNT OF NON-FEDERAL CONTRIBUTION.—Non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

“(3) WAIVER.—The Director may waive the requirement established in paragraph (1) if the Director determines that extraordinary economic conditions in the State justify the waiver.

“(d) LIMITATION REGARDING DIRECT TREATMENT SERVICES.—The Director may not make a grant under subsection (a) unless the State involved agrees that the grant will be expended only for the direct provision of treatment services. The preceding sentence may not be construed to authorize the expenditure of such a grant for the planning or evaluation of treatment services.

“(e) REQUIREMENT OF APPLICATION.—The Secretary may not make a grant under subsection (a) unless an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

“(f) DURATION OF GRANT.—The period during which payments are made to a State from a grant under subsection (a) may not exceed 3 years. The provision of such payments shall be subject to annual approval by the Director of the payments and subject to the availability of appropriations for the fiscal year involved to make the payments. The preceding sentence may not be construed to establish a limitation on the number of grants under such subsection that may be made to the State.

“(g) MAINTENANCE OF EFFORT.—The Director may not make a grant under subsection (a) unless the State involved agrees to maintain State expenditures for treatment services at a level that is not less than the average level of such expenditures

maintained by the State for the 2-year period preceding the first fiscal year for which the State receives such a grant.

**"(h) RESTRICTIONS ON USE OF GRANT.—**

**"(1) IN GENERAL.—**The Director may not make a grant under subsection (a) unless the State involved agrees that the grant will not be expended—

"(A) to provide inpatient hospital services, except as provided in paragraph (2);

"(B) to make cash payments to intended recipients of health services;

"(C) to purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;

"(D) to satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds; or

"(E) to provide financial assistance to any entity other than a public or nonprofit private entity.

**"(2) EXCEPTION REGARDING INPATIENT HOSPITAL SERVICES.—**

"(A) With respect to compliance with the agreement made under paragraph (1), a State may expend a grant under subsection (a) to provide inpatient hospital services as treatment for substance abuse only if it has been determined that such treatment is a medical necessity for the individual involved, and that the individual cannot be effectively treated in a community-based, nonhospital, residential program of treatment.

"(B) The Director may not make a grant under subsection (a) unless, in the case of an individual for whom such a grant is expended to provide inpatient hospital services described in subparagraph (A), the State involved agrees that the daily rate of payment provided to the hospital for providing the services to the individual will not exceed the comparable daily rate provided for community-based, nonhospital, residential programs of treatment for substance abuse.

**"(i) DEFINITIONS.—**For purposes of this section—

"(1) The term 'Director' means the Director of the Office for Treatment Improvement.

"(2) The term 'substance abuse' means the abuse of alcohol or other drugs.

**"(j) AUTHORIZATION OF APPROPRIATIONS.—**For the purpose of carrying out this section, there are authorized to be appropriated \$68,000,000 for fiscal year 1992, \$70,000,000 for fiscal year 1993, and \$72,000,000 for fiscal year 1994."

**SEC. 105. TEMPORARY PROVISIONS REGARDING FUNDING.**

**(a) CONTINGENT AUTHORITY FOR TRANSFERS BETWEEN ALLOTMENTS.—**

**(1) SUBPART II TO SUBPART I.—**In the case of any State for which an allotment for fiscal year 1992, 1993, or 1994 under section 1911 of the Public Health Service Act (as added by section 101 of this Act) is made in an amount that is less than the mental health portion of the allotment under former section 1912A for fiscal year 1991, the Secretary of Health and Human Services shall, upon the request of the State, transfer from the allotment under section 1921 of such Act (as added by section 102 of this Act) for the fiscal year involved to the allotment under such section 1911 for the fiscal year such amounts as the State may direct, subject to the allotment under such section 1911 not exceeding the amount of such portion.

**(2) SUBPART I TO SUBPART II.—**In the case of any State for which an allotment for fiscal year 1992, 1993, or 1994 under section 1921 of the Public Health Service Act (as added by section 102 of this Act) is made in an amount that is less than the substance-abuse portion of the allotment under former section 1912A for fiscal year 1991, the Secretary of Health and Human Services shall, upon the request of the State, transfer from the allotment under section 1911 of such Act (as added by section 101 of this Act) for the fiscal year involved to the allotment under such section 1921 for the fiscal year such amounts as the State may direct, subject to the allotment under such section 1921 not exceeding the amount of such portion.

**(3) DEFINITIONS.—**For purposes of this subsection:

(A) The term "mental health portion", with respect to an allotment under former section 1912A, means the portion of the allotment reserved with respect to mental health pursuant to former section 1916(c)(6).

(B) The term "substance-abuse portion", with respect to an allotment under former section 1912A, means the portion of the allotment reserved with respect to alcohol and drug abuse pursuant to former section 1916(c)(6).



(C) The term "former section 1912A" means section 1912A of the Public Health Service Act, as such section was in effect for fiscal year 1991.

(D) The term "former section 1919(c)(6)" means section 1916(c)(6) of the Public Health Service Act, as such section was in effect for fiscal year 1991.

(b) **ALLOCATION FOR CERTAIN PROGRAM REGARDING MENTAL HEALTH.**—Of the amounts appropriated for fiscal year 1992 under 1917(a) of the Public Health Service Act (as added by section 101 of this Act), the Secretary of Health and Human Services shall obligate 10 percent for the purpose of carrying out subpart I of part C of title XIX of the Public Health Service Act (as added by section 104 of this Act).

## **TITLE II—OTHER PROGRAMS OF ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION**

### **Subtitle A—Mental Health**

#### **SEC. 201. TRANSFER OF PROVISION RELATING TO SERVICE RESEARCH ON COMMUNITY-BASED TREATMENT PROGRAMS.**

(a) **IN GENERAL.**—Section 1923 of the Public Health Service Act (42 U.S.C. 300x-9b)—

- (1) is transferred to subpart 3 of part B of title V of such Act;
- (2) is redesignated as section 518A; and
- (3) is inserted after section 518 of such Act.

(b) **ADDITIONAL TRANSFER.**—

(1) **TRANSFER OF AUTHORITY REGARDING MODEL PLANS.**—Subpart 3 of part B of title V of the Public Health Service Act, as amended by subsection (a) of this section, is amended—

- (A) by transferring subsection (c) of section 518A to section 518;
- (B) by redesignating the subsection as subsection (b); and
- (C) by adding the subsection at the end of section 518.

(2) **CONFORMING AMENDMENT.**—Section 518 of the Public Health Service Act, as amended by paragraph (1) of this subsection, is amended in the first sentence by striking "The Secretary" and inserting "(a) The Secretary".

(c) **AUTHORIZATION OF APPROPRIATIONS.**—Section 518A of the Public Health Service Act, as transferred and redesignated and amended by subsections (a) and (b)(1) of this section, is amended by adding at the end the following new subsection:

"(c) Of the amounts appropriated under this Act for any fiscal year for conducting or supporting research regarding mental health, the Secretary shall make available not less than 15 percent for carrying out this section."

#### **SEC. 202. PROGRAM FOR RESEARCH ON MENTAL HEALTH.**

(a) **ADMINISTRATION.**—

(1) **IN GENERAL.**—Section 518 of the Public Health Service Act, as amended by section 201 of this Act, is amended—

(A) in subsection (a), by striking "the Administrator," and inserting the following: "the Director of the National Institute of Mental Health (in this subpart referred to as the 'Director')"; and

(B) in subsection (b), by striking "Administrator" each place such term appears and inserting "Director".

(2) **CONFORMING AMENDMENT.**—Section 519 of the Public Health Service Act (42 U.S.C. 290cc-12) is amended by striking "Administrator" and inserting "Director".

(b) **CERTAIN AUTHORITIES.**—Section 518 of the Public Health Service Act, as amended by section 201, is amended in subsection (a)—

(1) by inserting before the period the following: ", and relative to the promotion of mental health"; and

(2) by adding at the end the following new sentence: "Activities under the preceding sentence may include studies of the psychological, social, and legal factors that influence behavior."

(c) **AUTHORIZATION OF APPROPRIATIONS.**—Section 518 of the Public Health Service Act, as amended by section 201 of this Act, is amended by adding at the end the following new subsection:

"(c) For the purpose of carrying out this section, there are authorized to be appropriated \$500,000,000 for fiscal year 1992, \$600,000,000 for fiscal year 1993, and \$675,000,000 for fiscal year 1992."

#### SEC. 203. DEMONSTRATION PROJECTS.

(a) DESIGNATION OF SUBPART 4.—Part B of title V of the Public Health Service Act (42 U.S.C. 290bb et seq.) is amended—

(1) by inserting before section 520 the following:

"Subpart 4—Demonstration Projects"; and

(2) in the heading for section 520, by amending the heading to read as follows:

"CERTAIN PROJECTS".

(b) DURATION OF SUPPORT FOR CERTAIN DEMONSTRATION PROJECTS.—Section 520(c) of the Public Health Service Act (42 U.S.C. 290cc-13(c)) is amended by inserting before the period the following: ", except that grants under subsection (a) for demonstration projects described in paragraph (1)(A) of such subsection may be made for not more than five consecutive one-year periods".

#### SEC. 204. ESTABLISHMENT OF OFFICE OF RURAL MENTAL HEALTH.

Subpart 3 of part B of title V of the Public Health Service Act (42 U.S.C. 290cc-11 et seq.) is amended by inserting after section 519 the following new section:

##### "OFFICE OF RURAL MENTAL HEALTH

"SEC. 519A. (a) IN GENERAL.—There is established within the National Institute of Mental Health an office to be known as the Office of Rural Mental Health (hereafter in this section referred to as the 'Office'). The Office shall be headed by a director, who shall be appointed by the Director of such Institute from among individuals experienced or knowledgeable in the provision of mental health services in rural areas. The Secretary shall carry out the authorities established in this section acting through the Director of the Office.

"(b) COORDINATION OF ACTIVITIES.—The Director of the Office, in consultation with the Director of the Institute and with the Director of the Office of Rural Health Policy, shall—

"(1) coordinate the activities of the Department of Health and Human Services as such activities relate to the mental health of residents of rural areas; and

"(2) coordinate the activities of the Office with similar activities of public and nonprofit private entities.

"(c) RESEARCH, DEMONSTRATIONS, EVALUATIONS, AND DISSEMINATION.—The Director of the Office may, with respect to the mental health of adults and children residing in rural areas—

"(1) conduct research on conditions that are unique to the residents of rural areas, or more serious or prevalent in such residents;

"(2) conduct research on improving the delivery of services in such areas;

"(3) carry out demonstration projects for the provision of services in such areas, including such projects regarding outreach, interventions, and the provision of off-site services;

"(4) establish model programs, and carry out demonstrations of such models (at 1 or more sites);

"(5) conduct evaluations of projects and programs carried out by the Director under this subsection; and

"(6) disseminate information to appropriate public and nonprofit private entities.

"(d) AUTHORITY REGARDING GRANTS AND CONTRACTS.—The Director of the Office may carry out the authorities established in subsection (c) directly and through grants, cooperative agreements, or contracts with public or nonprofit private entities.

"(e) DEMONSTRATIONS REGARDING LINKAGE OF MENTAL HEALTH AND OTHER SERVICES.—In carrying out subsection (c), the Director of the Office shall make grants to public or nonprofit private entities for the purpose of carrying out, in rural areas, demonstration projects to improve the availability of mental health services by providing such services in the same facilities as other health or social services are provided, and through otherwise integrating the provision of mental health services, other health services, and social services.

“(f) REPORT TO CONGRESS.—Not later than February 1 of fiscal year 1993 and each fiscal year thereafter, the Director of the Office shall submit to the Subcommittee on Health and the Environment of the Committee on Energy and Commerce (of the House of Representatives), and to the Committee on Labor and Human Resources (of the Senate), a report describing the activities of the Office during the preceding fiscal year, including a summary of the activities of demonstration projects and a summary of evaluations of the projects.

“(g) FUNDING.—Of the amounts appropriated under this Act for fiscal year 1992, fiscal year 1993, and fiscal year 1994 for research regarding mental health, the Secretary shall make available for carrying out this section not less than \$5,000,000, \$8,000,000, and \$10,000,000, respectively.”.

#### SEC. 205. MISCELLANEOUS PROVISIONS.

##### (a) CERTAIN SERVICES.—

(1) IN GENERAL.—Section 2441 of the Public Health Service Act (42 U.S.C. 300dd-41)—

(A) is transferred to part B of title V of such Act;

(B) is redesignated as section 520A; and

(C) is inserted after section 520 of such part.

(2) CONFORMING AMENDMENTS.—The Public Health Service Act (42 U.S.C. 201 et seq.), as amended by paragraph (1), is amended—

(A) in part C of title XXIV—

(i) by striking the heading for subpart I;

(ii) in section 2432(e), by striking “subpart” each place such term appears and inserting “part”; and

(iii) by striking the heading for subpart II; and

(B) in section 520A—

(i) in subsection (a), in the matter preceding paragraph (1), by inserting after “Secretary” the following: “, acting through the Director of the National Institute of Mental Health,”;

(ii) in subsection (j), by striking “1991” and inserting “1994”; and

(iii) by striking “SEC.” and all that follows through “(a) IN GENERAL.—” and inserting the following:

#### “CERTAIN COUNSELING AND MENTAL HEALTH SERVICES

“SEC. 520A. (a) IN GENERAL.—”.

(b) FEDERAL ACCOUNTABILITY.—Any rule or regulation of the Department of Health and Human Services that is inconsistent with the amendments made by this Act shall not have any legal effect, including section 50(e) of part 96 of title 45, Code of Federal Regulations (45 CFR 96.50(e)).

## Subtitle B—Substance Abuse

### PART I—OFFICE FOR TREATMENT IMPROVEMENT

#### SEC. 211. ESTABLISHMENT, GENERAL AUTHORITIES, AND CERTAIN PROGRAMS.

Title V of the Public Health Service Act (42 U.S.C. 290aa et seq.) is amended by adding at the end the following new part:

### “PART F—OFFICE FOR TREATMENT IMPROVEMENT

#### “Subpart 1—Establishment and General Authorities

##### “SEC. 571. ESTABLISHMENT.

“(a) ESTABLISHMENT.—There is established in the Administration an Office for Treatment Improvement, which shall be headed by a director appointed by the Secretary. The Secretary shall carry out this part acting through the Director of the Treatment Office.

“(b) DUTIES.—With respect to the treatment of substance abuse, the Director shall carry out the following duties:

“(1) Collaborate with the Director of the Office for Substance Abuse Prevention in order to provide outreach services to identify individuals in need of treatment services, with emphasis on the provision of such services to pregnant



and postpartum women and their infants and to individuals who abuse drugs intravenously.

"(2) Collaborate with the Director of the National Institute on Drug Abuse, with the Director of the National Institute on Alcoholism and Alcohol Abuse, and with the States to promote the study, dissemination, and implementation of research findings that will improve the delivery and effectiveness of treatment services.

"(3) Collaborate with the Administrator of the Health Resources and Services Administration to promote the increased integration into the mainstream of the health care system of the United States of programs for providing treatment services.

"(4) Evaluate plans submitted by the States pursuant to section 1930(a)(6) in order to determine whether the plans adequately provide for the availability, allocation, and effectiveness of treatment services.

"(5) Sponsor regional workshops on improving the quality and availability of treatment services.

"(6) Provide technical assistance to public and nonprofit private entities that provide treatment services, including technical assistance with respect to the process of submitting to the Director applications for any program of grants or contracts carried out by the Director.

"(7) Improve coordination between treatment facilities and nonhealth care systems such as employers, labor unions, and schools, and encourage the adoption of employee assistance programs and student assistance programs.

"(8) Encourage the States to expand the availability (relative to fiscal year 1992) of programs providing treatment services through self-run, self-supported recovery based on the programs of housing operated pursuant to section 1924.

"(9) Carry out activities to educate individuals on the need for establishing treatment facilities within their communities.

"(10) Encourage public and private entities that provide health insurance to provide benefits for outpatient treatment services and other nonhospital-based treatment services.

"(11) Evaluate treatment programs to determine the quality and appropriateness of various forms of treatment, including the effect of living in housing provided by programs established under section 1924. Such evaluations shall be carried out through grants, contracts, or cooperative agreements provided to public or nonprofit private entities. In carrying out this paragraph, the Director shall assess the quality, appropriateness, and costs of various treatment forms for specific patient groups.

"(c) GRANTS AND CONTRACTS REGARDING GENERAL DUTIES.—In carrying out the duties established in subsection (b), the Director may make grants to and enter into contracts with public and nonprofit private entities.

#### "SEC. 572. GENERAL PROVISIONS.

"(a) APPLICATIONS FOR FINANCIAL ASSISTANCE.—The Director may not provide a grant or contract under this part unless—

"(1) an application for such financial assistance is submitted to the Secretary;

"(2) with respect to carrying out the purpose for which the assistance is to be provided, the application provides assurances of compliance satisfactory to the Secretary; and

"(3) the application otherwise is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out the purpose for which the assistance is to be provided.

"(b) DEFINITIONS.—For purposes of this part:

"(1) The term 'Director' means the Director of the Treatment Office, unless the context of usage indicates otherwise.

"(2) The term 'substance abuse' means the abuse of alcohol or other drugs.

"(3) The term 'treatment' means treatment for substance abuse, unless the context of usage indicates that the meaning of the term is limited to providing treatment only for the abuse of alcohol, or only for the abuse of another drug or drugs, as the case may be.

"(4) The term 'Treatment Office' means the Office for Treatment Improvement.

## “Subpart 2—Certain Programs

### “SEC. 576. DEMONSTRATION PROJECTS OF NATIONAL SIGNIFICANCE.

“(a) GRANTS FOR TREATMENT IMPROVEMENT.—The Director of the Treatment Office shall provide grants to public and nonprofit private entities for the purpose of establishing demonstration projects that will improve the provision of treatment services for substance abuse.

“(b) NATURE OF PROJECTS.—Grants under subsection (a) shall be awarded to—

“(1) projects that focus on providing treatment to adolescents, female addicts and their children, racial and ethnic minorities, or individuals in rural areas;

“(2) projects that provide treatment and vocational training in exchange for public service;

“(3) projects that provide treatment services and which are operated by public and nonprofit private entities receiving grants under section 329, 330 or 340;

“(4) ‘treatment campus’ projects that—

“(A) serve a significant number of individuals simultaneously;

“(B) provide residential, non-community based drug treatment;

“(C) provide patients with ancillary social services and referrals to community-based aftercare; and

“(D) provide services on a voluntary basis;

“(5) projects in large metropolitan areas to identify individuals in need of treatment services and to improve the availability and delivery of such services in the areas;

“(6) in the case of individuals who engage in intravenous drug abuse, projects to conduct outreach activities to the individuals regarding the prevention of exposure to and the transmission of the etiologic agent for acquired immune deficiency syndrome, and to encourage the individuals to seek treatment for such abuse; and

“(7) projects to determine the long-term efficacy of the projects described in this section and to disseminate to appropriate public and private entities information on the projects that have been effective.

“(c) PREFERENCES IN MAKING GRANTS.—In awarding grants under subsection (a), the Director of the Treatment Office shall give preference to projects that—

“(1) demonstrate a comprehensive approach to the problems associated with substance abuse and provide evidence of broad community involvement and support; or

“(2) initiate and expand programs for the provision of treatment services (including renovation of facilities, but not construction) in localities in which, and among populations for which, there is a public health crisis as a result of the inadequate availability of such services and a substantial rate of drug abuse.

“(d) DURATION OF GRANTS.—The period during which payments are made under a grant under subsection (a) may not exceed 5 years.

“(e) EVALUATIONS.—The Director of the Treatment Office shall require, as a condition of awarding grants under subsection (a), a systematic evaluation of the projects funded under such subsection.

“(f) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—For the purpose of carrying out this section, there are authorized to be appropriated \$240,000,000 for fiscal year 1992, \$300,000,000 for fiscal year 1993, and \$400,000,000 for fiscal year 1994. The amounts so authorized are in addition to any other amounts that are authorized to be appropriated and available for such purpose.

“(2) ALLOCATION.—Of the amounts appropriated under paragraph (1) for a fiscal year, the Director of the Treatment Office shall reserve not less than 10 percent for carrying out projects described in subsection (b)(3).

### “SEC. 577. MODEL DEMONSTRATION PROGRAMS FOR TREATMENT SERVICES IN PENAL AND CORRECTIONAL INSTITUTIONS.

“(a) IN GENERAL.—The Director of the Treatment Office may make grants to public and nonprofit private entities for the purpose of carrying out demonstration programs to provide treatment services for substance abuse to inmates of penal or correctional institutions of States or political subdivisions of States.

“(b) REQUIREMENTS FOR PROGRAMS.—With respect to a program of treatment established pursuant to subsection (a), the Director may not make a grant unless the applicant involved agrees as follows:

“(1) The goal of treatment will be for the inmate involved to overcome any dependency on alcohol or other drugs, to cease engaging in substance abuse and

make a commitment not to relapse into such abuse, and to acquire the minimum skills necessary for obtaining and maintaining employment.

"(2) Participation in the program by an inmate will be voluntary. An inmate will be admitted to the program only if—

"(A) the applicant has determined that the individual is in need of treatment;

"(B) the term or terms of incarceration of the inmate are scheduled to be completed not later than 1 year after the date on which the individual is to be admitted to the program; and

"(C) there is a reasonable basis for believing that the inmate will make significant progress toward achieving the goal described in paragraph (1) before the end of such term.

"(3) If an inmate is admitted to the program, the applicant will make available to the inmate, directly or through arrangements with other public or non-profit private entities, such services as may be necessary to provide the inmate with a reasonable opportunity to make significant progress toward the goal described in paragraph (1).

"(4) For purposes of facilitating treatment, the applicant will, to the extent practicable, separate inmates participating in the program from other inmates.

"(5) In the case of an inmate participating in the program whose date of release from incarceration is nearing, the applicant will make reasonable efforts to refer the individual (the former inmate), upon such release, to public or non-profit private entities that can make available to the individual services that will assist the individual with respect to the goal described in paragraph (1).

"(c) AGREEMENT REGARDING INSTITUTION INVOLVED.—With respect to any penal or correctional institution in which an applicant for a grant under subsection (a) proposes to carry out a program under such subsection, the Director may not make the grant to the applicant unless the State or political subdivision administering the institution has agreed to cooperate with the applicant regarding the establishment and operation of the program.

"(d) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated \$50,000,000 for each of the fiscal years 1992 through 1994.

### **"Subpart 3—Model Comprehensive Program for Treatment of Substance Abuse**

#### **"SEC. 581. DEMONSTRATION PROGRAM IN NATIONAL CAPITAL AREA.**

"(a) IN GENERAL.—The Director of the Treatment Office shall make a demonstration grant for the establishment, within the national capital area, of a model program for providing comprehensive treatment services for substance abuse.

"(b) PURPOSES.—The Director may not make a grant under subsection (a) unless, with respect to the comprehensive treatment services to be offered by the program under such subsection, the applicant for the grant agrees—

"(1) to ensure, to the extent practicable, that the program has the capacity to provide the services to all individuals who seek and would benefit from the services;

"(2) as appropriate, to provide education on obtaining employment and other matters with respect to assisting the individuals in preventing any relapse with respect to substance abuse, including education on the appropriate involvement of parents and sexual partners in preventing such a relapse;

"(3) to provide services in locations accessible to substance abusers and, to the extent practicable, to provide services through mobile facilities;

"(4) to give priority to providing services to individuals who abuse drugs intravenously, to pregnant women, to homeless individuals, and to residents of publicly-assisted housing;

"(5) with respect to women with dependent children, to provide child care to such women seeking treatment services for substance abuse;

"(6) to conduct outreach activities to inform individuals of the availability of the services of the program;

"(7) to provide case management services, including services to determine eligibility for assistance under Federal, State, and local programs providing health services, mental health services, or social services;

"(8) to ensure the establishment of one or more offices to oversee the coordination of the activities of the program, to ensure that treatment is available to those seeking it, to ensure that the program is administered efficiently, and to



ensure that the public is informed that the offices are the locations at which individuals may make inquiries concerning the program, including the location of available treatment services within the national capital area; and

"(9) to develop and utilize standards for certifying the knowledge and training of individuals, and the quality of programs, to provide treatment services for substance abuse.

"(c) CERTAIN REQUIREMENTS.—

"(1) REGARDING ELIGIBILITY FOR GRANT.—

"(A) The Director may not make the grant under subsection (a) unless the applicant involved is an organization of the general-purpose local governments within the national capital area, or another public or nonprofit private entity, and the applicant submits to the Director assurances satisfactory to the Director that, with respect to the communities in which services will be offered, the local governments of the communities will participate in the program.

"(B) The Director may not make the grant under subsection (a) unless—

"(i) an application for the grant is submitted to the Director;

"(ii) with respect to carrying out the purpose for which the grant is to be made, the application provides assurances of compliance satisfactory to the Director; and

"(iii) the application otherwise is in such form, is made in such manner, and contains such agreements, assurances, and information as the Director determines to be necessary to carry out this section.

"(2) AUTHORITY FOR COOPERATIVE AGREEMENTS.—The grantee under subsection

(a) may provide the services required by such subsection directly or through arrangements with public and nonprofit private entities.

"(d) REQUIREMENT OF NON-FEDERAL CONTRIBUTIONS.—

"(1) IN GENERAL.—The Director may not make a grant under subsection (a) unless the applicant for the grant agrees, with respect to the costs to be incurred by the applicant in carrying out the purpose described in such subsection, to make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount equal to not less than \$1 for each \$4 of Federal funds provided under the grant.

"(2) DETERMINATION OF AMOUNT CONTRIBUTED.—Non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

"(e) EVALUATIONS.—The Director shall make a grant or enter into a contract for the conduct of an evaluation of the effectiveness of the program carried out under subsection (a). The grant or contract shall provide for an evaluation of the extent to which the program has effectively utilized innovative methods for overcoming the resistance of the residents of communities to the establishment of treatment facilities within the communities.

"(f) REPORTS.—

"(1) INITIAL CRITERIA.—The Director shall make a determination of the appropriate criteria for carrying out the program required in subsection (a), including the anticipated need for, and range of, services under the program in the communities involved and the anticipated costs of the program. Not later than 90 days after the date of the enactment of the Community Mental Health and Substance Abuse Services Improvement Act of 1991, the Director shall submit to the Congress a report describing the findings made as a result of the determination.

"(2) ANNUAL REPORTS.—Not later than 1 year after the date on which the grant is made under subsection (a), and annually thereafter, the Director shall submit to the Congress a report describing the extent to which the program carried out under subsection (a) has been effective in carrying out the purposes of the program.

"(g) DEFINITION.—For purposes of this section, the term 'national capital area' means the metropolitan Washington area, including the District of Columbia, the cities of Alexandria, Falls Church, and Fairfax in the State of Virginia, the counties of Arlington and Fairfax in such State (and the political subdivisions located in such counties), and the counties of Montgomery and Prince George's in the State of Maryland (and the political subdivisions located in such counties).

"(h) FUNDING.—Of the amounts made available in appropriations Acts for the fiscal years 1992 through 1994 for carrying out the programs administered by the

Administrator of the Alcohol, Drug Abuse, and Mental Health Administration, the Secretary, acting through the Director of the Treatment Office, shall reserve for carrying out this section, respectively, \$10,000,000, for fiscal year 1992, \$10,000,000, for fiscal year 1993, and \$5,000,000, for fiscal year 1994."

**SEC. 212. CONFORMING AMENDMENT.**

Section 501(b) of the Public Health Service Act (42 U.S.C. 290aa(b)) is amended by adding at the end the following new paragraph:

"(5) The Office for Treatment Improvement."

## **PART II—OFFICE FOR SUBSTANCE ABUSE PREVENTION**

**SEC. 221. GENERAL ACTIVITIES OF OFFICE.**

(a) **IN GENERAL.**—Section 508(b) of the Public Health Service Act (42 U.S.C. 290aa-6(b)) is amended—

- (1) by striking paragraphs (5), (10), and (11);
- (2) by redesignating paragraphs (6) through (9) as paragraphs (5) through (8), respectively;
- (3) by redesignating paragraph (12) as paragraph (9); and
- (4) in paragraph (8) (as so redesignated), by adding "and" after the semicolon at the end.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—Section 508 of the Public Health Service Act (42 U.S.C. 290aa-6) is amended by striking subsection (d).

(c) **NATIONAL DATA BASE.**—Section 508 of the Public Health Service Act, as amended by subsection (b) of this section, is amended by adding at the end the following new subsection:

"(d) The Director of the Prevention Office shall establish a national data base providing information on programs for the prevention of substance abuse. The data base shall contain information appropriate for use by public entities and information appropriate for use by private entities."

(d) **REFERENCES.**—Part A of title V of the Public Health Service Act (42 U.S.C. 290aa et seq.) is amended—

- (1) in section 508—

(A) in subsection (a), in the first sentence, by striking "(hereafter" and all that follows and inserting "(hereafter referred to in this part as the 'Prevention Office'"; and

(B) in subsection (b), in the matter preceding paragraph (1), by striking "Office" and inserting "Prevention Office"; and

- (2) in section 509, in the first sentence, by striking "Office" and inserting "Prevention Office".

(e) **COMMUNITY PROGRAMS.**—Part A of title V of the Public Health Service Act (42 U.S.C. 290aa et seq.) is amended by inserting after section 508 the following new section:

**"COMMUNITY PROGRAMS**

"Sec. 508A. (a) The Secretary, acting through the Director of the Prevention Office, shall—

"(1) provide assistance to communities to develop comprehensive long-term strategies for the prevention of substance abuse; and

"(2) evaluate the success of different community approaches toward the prevention of such abuse.

"(b) The Director of the Prevention Office shall ensure that strategies developed under subsection (a)(1) include strategies for reducing the use of alcoholic beverages and tobacco products by individuals to whom it is unlawful to sell or distribute such beverages or products.

"(c) For the purpose of carrying out subsection (a), there are authorized to be appropriated \$114,000,000 for fiscal year 1992, \$165,000,000 for fiscal year 1993, and \$215,000,000 for fiscal year 1994."

**SEC. 222. PREVENTION, TREATMENT, AND REHABILITATION MODEL PROJECTS FOR HIGH RISK YOUTH.**

(a) **IN GENERAL.**—Section 509A of the Public Health Service Act (42 U.S.C. 290aa-8) is amended—

- (1) redesignating subsections (c) through (f) as subsections (d) through (g), respectively; and

- (2) by inserting after subsection (b) the following new subsection:

"(c) The Secretary shall ensure that projects under subsection (a) include projects to develop strategies for reducing the use of alcoholic beverages and tobacco products by individuals to whom it is unlawful to sell or distribute such beverages or products."

(b) **AUTHORIZATION OF APPROPRIATIONS.**—Section 509A of the Public Health Service Act, as amended by subsection (a) of this subsection, is amended by adding at the end the following new subsection:

"(h) For the purpose of carrying out this section, there are authorized to be appropriated \$60,000,000 for fiscal year 1992, \$80,000,000 for fiscal year 1993, and \$100,000,000 for fiscal year 1994."

(c) **REFERENCES.**—Section 509A(a) of the Public Health Service Act (42 U.S.C. 290aa-8(a)) is amended by striking "Office" and inserting "Prevention Office".

**SEC. 223. STRIKING OF CERTAIN PROVISIONS; REVISIONS IN PROGRAM FOR PREGNANT AND POSTPARTUM WOMEN.**

(a) **IN GENERAL.**—Part A of title V of the Public Health Service Act (42 U.S.C. 290aa et seq.) is amended—

(1) by striking section 509G; and

(2) by amending section 509F to read as follows:

**"RESIDENTIAL TREATMENT PROGRAMS FOR PREGNANT AND POSTPARTUM WOMEN**

**"SEC. 509F. (a) IN GENERAL.**—The Director of the Prevention Office shall make grants to public and nonprofit private entities for the purpose of providing to pregnant and postpartum women treatment for substance abuse through programs in which, during the course of receiving treatment—

"(1) the women, and any minor children of the women, reside in facilities provided by the programs;

"(2) the programs provide ongoing supervision of the women; and

"(3) the services described in subsection (d) are available to or on behalf of the women.

**"(b) AVAILABILITY OF SERVICES FOR EACH PARTICIPANT.**—A funding agreement under subsection (a) for an applicant is that, in the program operated pursuant to such subsection—

"(1) treatment services and each supplemental service will be available through the applicant, either directly or through agreements with other public or nonprofit private entities; and

"(2) the services will be made available to each woman admitted to the program.

**"(c) INDIVIDUALIZED PLAN OF SERVICES.**—A funding agreement under subsection (a) for an applicant is that—

"(1) in providing authorized services for an eligible woman pursuant to such subsection, the applicant will, in consultation with the woman, prepare an individualized plan for the provision to the woman of the services; and

"(2) treatment services under the plan will include—

"(A) individual, group, and family counseling regarding substance abuse; and

"(B) follow-up services to assist the woman in preventing a relapse into such abuse.

**"(d) REQUIRED SUPPLEMENTAL SERVICES.**—In the case of an eligible woman, the services referred to in subsection (a)(3) are as follows:

"(1) Prenatal and postpartum health care.

"(2) Referrals for necessary hospital services.

"(3) For the infants and children of the woman—

"(A) pediatric health care, including treatment for any perinatal effects of maternal substance abuse and including screenings regarding the physical and mental development of the infants and children;

"(B) counseling and other mental health services, in the case of children; and

"(C) comprehensive social services.

"(4) Providing supervision of children during periods in which the woman is engaged in therapy or in other necessary health or rehabilitative activities.

"(5) Training in parenting.

"(6) Counseling on acquired immune deficiency syndrome.

"(7) Counseling on domestic violence and sexual abuse.

"(8) Counseling on obtaining employment, including the importance of graduating from a secondary school.



"(9) Reasonable efforts to preserve and support the family units of the women, including promoting the appropriate involvement of parents and others, and counseling the children of the women.

"(10) Planning for and counseling to assist reentry into society, both before and after discharge, including referrals to any public or nonprofit private entities in the community involved that provide services appropriate for the women and the children of the women.

"(11) Case management services, including—

"(A) assessing the extent to which authorized services are appropriate for the women and their children;

"(B) in the case of the services that are appropriate, ensuring that the services are provided in a coordinated manner; and

"(C) assistance in establishing eligibility for assistance under Federal, State, and local programs providing health services, mental health services, housing services, employment services, educational services, or social services.

"(e) MINIMUM QUALIFICATIONS OF GRANTEES.—

"(1) CERTIFICATION BY RELEVANT STATE AGENCY.—With respect to the principal agency of the State involved that administers programs relating to substance abuse, the Director may make a grant under subsection (a) to an applicant only if the agency has certified to the Director that—

"(A) the applicant has the capacity to carry out a program described in subsection (a);

"(B) the plans of the applicant for such a program are consistent with the policies of such agency regarding the treatment of substance abuse; and

"(C) the applicant, or any entity through which the applicant will provide authorized services, meets all applicable State licensure or certification requirements regarding the provision of the services involved.

"(2) STATUS AS MEDICAID PROVIDER.—

"(A) Subject to subparagraphs (B) and (C), the Director may make a grant under subsection (a) only if, in the case of any authorized service that is available pursuant to the State plan approved under title XIX of the Social Security Act for the State involved—

"(i) the applicant for the grant will provide the service directly, and the applicant has entered into a participation agreement under the State plan and is qualified to receive payments under such plan; or

"(ii) the applicant will enter into an agreement with a public or nonprofit private entity under which the entity will provide the service, and the entity has entered into such a participation agreement plan and is qualified to receive such payments.

"(B)(i) In the case of an entity making an agreement pursuant to subparagraph (A)(ii) regarding the provision of services, the requirement established in such subparagraph regarding a participation agreement shall be waived by the Director if the entity does not, in providing health care services, impose a charge or accept reimbursement available from any third-party payor, including reimbursement under any insurance policy or under any Federal or State health benefits plan.

"(ii) A determination by the Director of whether an entity referred to in clause (i) meets the criteria for a waiver under such clause shall be made without regard to whether the entity accepts voluntary donations regarding the provision of services to the public.

"(C) With respect to any authorized service that is available pursuant to the State plan described in subparagraph (A), the requirements established in such subparagraph shall not apply to the provision of any such service by an institution for mental diseases to an individual who has attained 21 years of age and who has not attained 65 years of age. For purposes of the preceding sentence, the term 'institution for mental diseases' has the meaning given such term in section 1905(i) of the Social Security Act.

"(f) REQUIREMENT OF MATCHING FUNDS.—

"(1) IN GENERAL.—With respect to the costs of the program to be carried out by an applicant pursuant to subsection (a), a funding agreement under such subsection is that the applicant will make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount that is not less than—

"(A) \$1 for each \$9 of Federal funds provided for the first year of payments under the grant; and

"(B) \$1 for each \$3 of Federal funds provided in any subsequent year of payments under any such grant.

"(2) DETERMINATION OF AMOUNT CONTRIBUTED.—Non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

"(g) OUTREACH.—A funding agreement under subsection (a) for an applicant is that the applicant will provide outreach services in the community involved to identify women who are engaging in substance abuse and to encourage the women to undergo treatment for such abuse.

"(h) ACCESSIBILITY OF PROGRAM; CULTURAL CONTEXT OF SERVICES.—A funding agreement under subsection (a) for an applicant is that—

"(1) the program operated pursuant to such subsection will be operated at a location that is accessible to low-income pregnant and postpartum women; and

"(2) authorized services will be provided in the language and the cultural context that is most appropriate.

"(i) CONTINUING EDUCATION.—A funding agreement under subsection (a) is that the applicant involved will provide for continuing education in treatment services for the individuals who will provide treatment in the program to be operated by the applicant pursuant to such subsection.

"(j) IMPOSITION OF CHARGES.—A funding agreement under subsection (a) for an applicant is that, if a charge is imposed for the provision of authorized services to on behalf of an eligible woman, such charge—

"(1) will be made according to a schedule of charges that is made available to the public;

"(2) will be adjusted to reflect the income of the woman involved; and

"(3) will not be imposed on any such woman with an income of less than 185 percent of the official poverty line, as established by the Director of the Office for Management and Budget and revised by the Secretary in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981.

"(k) REPORTS TO DIRECTOR.—A funding agreement under subsection (a) is that the applicant involved will submit to the Director a report—

"(1) describing the utilization and costs of services provided under the grant;

"(2) specifying the number of women served, the number of infants served, and the type and costs of services provided; and

"(3) providing such other information as the Director determines to be appropriate.

"(l) REQUIREMENT OF APPLICATION.—The Director may make a grant under subsection (a) only if the applicant involved makes each of the agreements described in this section. Such a grant may be made only if an application for the grant is submitted to the Director containing such agreements, and the application is in such form, is made in such manner, and contains such other agreements and such assurances and information as the Director determines to be necessary to carry out this section.

"(m) EQUITABLE ALLOCATION OF GRANTS.—In making grants under subsection (a), the Director shall ensure that the grants are equitably allocated among the principal geographic regions of the United States, subject to the availability of qualified applicants for the grants.

"(n) DURATION OF GRANT.—The period during which payments are made to an entity from a grant under subsection (a) may not exceed 5 years. The provision of such payments shall be subject to annual approval by the Director of the payments and subject to the availability of appropriations for the fiscal year involved to make the payments. This subsection may not be construed to establish a limitation on the number of grants under such subsection that may be made to an entity.

"(o) EVALUATIONS; DISSEMINATION OF FINDINGS.—The Director shall, directly or through contract, provide for the conduct of evaluations of programs carried out pursuant to subsection (a). The Director shall disseminate to the States the findings made as a result of the evaluations.

"(p) REPORTS TO CONGRESS.—Not later than October 1, 1993 and every 2 years thereafter, the Director shall submit to the Congress a report describing programs carried out pursuant to this section. Each such report shall include any evaluations conducted under subsection (m) during the preceding fiscal year.

"(q) DEFINITIONS.—For purposes of this section:

"(1) The term 'authorized services' means treatment services and supplemental services.

"(2) The term 'eligible woman' means a woman who has been admitted to a program operated pursuant to subsection (a).

"(3) The term 'funding agreement under subsection (a)' means an agreement required in subsection (1) as a condition of receiving a grant under subsection (a).

"(4) The term 'treatment services' means treatment for substance abuse, including the counseling and services described in subsection (c)(2).

"(5) The term 'supplemental services' means the services described in subsection (d).

**"(r) AUTHORIZATION OF APPROPRIATIONS.—**

"(1) **IN GENERAL.**—For the purpose of carrying out this section and section 509G, there are authorized to be appropriated \$100,000,000 for fiscal year 1992, \$150,000,000 for fiscal year 1993, and \$200,000,000 for fiscal year 1994.

"(2) **TRANSFER.**—In addition to the amounts authorized in paragraph (1) to be appropriated for the fiscal year involved, there is authorized to be appropriated for the fiscal year for the purpose described in such paragraph \$31,000,000 from the special forfeiture fund of the Director of the Office of National Drug Control Policy.

"(3) **RULE OF CONSTRUCTION.**—The amounts authorized in this subsection to be appropriated are in addition to any other amounts that are authorized to be appropriated and are available for the purpose described in paragraph (1)."

**(b) PREVENTION PROGRAMS.**—Part A of title V of the Public Health Service Act, as amended by subsection (a) of this section, is amended by adding at the end the following:

**"PREVENTION PROGRAMS FOR PREGNANT AND POSTPARTUM WOMEN**

"SEC. 509G. (a) The Secretary, acting through the Director of the Prevention Office, shall make grants to establish projects for prevention and education activities, and outpatient treatment, regarding the effects of drug and alcohol abuse on pregnant and postpartum women and their infants.

"(b) The Secretary shall evaluate projects carried out under subsection (a) and shall disseminate to appropriate public and private entities information on effective projects."

**(c) TRANSITIONAL AND SAVINGS PROVISIONS.—**

**(1) SAVINGS PROVISION FOR COMPLETION OF CURRENT PROJECTS.—**

(A) Subject to paragraph (2), in the case of any project for which a grant under former section 509F was provided for fiscal year 1991, the Secretary of Health and Human Services may continue in effect the grant for fiscal year 1992 and subsequent fiscal years, subject to the duration of any such grant not exceeding the period determined by the Secretary in first approving the grant.

(B) Subparagraph (A) shall apply with respect to a project notwithstanding that the project is not eligible to receive a grant under current section 509F or 509G.

**(2) LIMITATION ON FUNDING FOR CERTAIN PROJECTS.**—With respect to the amounts appropriated for any fiscal year under current section 509F, any such amounts appropriated in excess of the amount appropriated for fiscal year 1991 under former section 509F shall be available only for grants under current section 509F.

**(3) DEFINITIONS.**—For purposes of this subsection:

(A) The term "former section 509F" means section 509F of the Public Health Service Act, as in effect for fiscal year 1991.

(B) The term "current section 509G" means section 509G of the Public Health Service Act, as in effect for fiscal year 1992 and subsequent fiscal years.

(C) The term "current section 509F" means section 509F of the Public Health Service Act, as in effect for fiscal year 1992 and subsequent fiscal years.

**SEC. 224. TRAINING IN PROVISION OF TREATMENT SERVICES.**

Part A of title V of the Public Health Service Act, as amended by section 223(b) of this Act, is amended by adding at the end the following new section:

**"TRAINING IN PROVISION OF TREATMENT SERVICES FOR SUBSTANCE ABUSE**

"SEC. 509H. (a) **IN GENERAL.**—The Director of the Prevention Office shall develop programs to increase the number of full-time substance abuse treatment professionals and the number of health professionals providing treatment services through the



awarding of grants to appropriate public and nonprofit private entities, including agencies of State and local governments, hospitals, schools of medicine, schools of osteopathic medicine, schools of nursing, schools of social work, and graduate programs in marriage and family therapy.

"(b) **PRIORITY.**—In awarding grants under subsection (a), the Director of the Prevention Office shall give priority to projects that train full-time substance abuse treatment professionals and projects that will receive financial support from public entities for carrying out the projects.

"(c) **HEALTH PROFESSIONS EDUCATION.**—In awarding grants under subsection (a), the Secretary may make grants to health professions schools (including schools of nursing and allied health professions schools) and schools of social work for programs—

"(1) to train individuals in the diagnosis and treatment of substance abuse; and

"(2) to develop appropriate curricula and materials for the training described in paragraph (1).

"(d) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out this section, there are authorized to be appropriated \$26,000,000 for fiscal year 1992, \$28,000,000 for fiscal year 1993, and \$30,000,000 for fiscal year 1994."

#### SEC. 225. REDUCTION OF WAITING PERIOD FOR DRUG ABUSE TREATMENT.

Section 509E(g) of the Public Health Service Act (42 U.S.C. 290aa-12(g)) is amended to read as follows:

"(g) For the purpose of carrying out this section, there are authorized to be appropriated \$40,000,000 for each of the fiscal years 1992 through 1994."

### PART III—OTHER PROVISIONS REGARDING SUBSTANCE ABUSE

#### SEC. 231. RESEARCH ON ALCOHOL ABUSE AND ALCOHOLISM.

Section 513(a) of the Public Health Service Act (42 U.S.C. 290bb-2(a)) is amended—

(1) by inserting "(other than section 512(c))" after "subpart";

(2) by striking "and" after "1987,"; and

(3) by inserting before the period the following: ", \$160,000,000 for fiscal year 1992, \$260,000,000 for fiscal year 1993, and \$360,000,000 for fiscal year 1994".

#### SEC. 232. RESEARCH ON DRUG ABUSE.

(a) **IN GENERAL.**—Section 515(a) of the Public Health Service Act (42 U.S.C. 290cc(a)) is amended—

(1) in paragraph (5), by striking "and" after the semicolon at the end;

(2) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(7) the development and demonstration of new and improved methods of screening and early detection, referral, and diagnosis of individuals with a risk of drug abuse; and

"(8) the development and demonstration of new and improved methods for the dissemination of findings of research on drug abuse, and of information on the prevention and treatment of such abuse."

(b) **AUTHORIZATION OF APPROPRIATIONS.**—Section 515 of the Public Health Service Act (42 U.S.C. 290cc) is amended by adding at the end the following new subsection:

"(c) For the purpose of carrying out this section, there are authorized to be appropriated \$293,000,000 for fiscal year 1992, \$330,000,000 for fiscal year 1993, and \$360,000,000 for fiscal year 1994."

(c) **STRIKING OF CERTAIN AUTHORITIES.**—Subpart 2 of part B of title V of the Public Health Service Act (290cc et seq.) is amended by striking sections 516 and 517.

#### SEC. 233. STUDY BY NATIONAL ACADEMY OF SCIENCES.

(a) **IN GENERAL.**—In the case of programs in the United States that provide both sterile hypodermic needles and bleach to individuals in order to provide for a reduction in the risk of the individuals contracting acquired immune deficiency syndrome or related conditions, the Secretary of Health and Human Services, acting through the Director of the National Institute on Drug Abuse, shall enter into a contract with a public or nonprofit private entity, subject to subsection (b), for the purpose of conducting a study to make determinations of the following:

(1) The extent to which the programs promote, directly or indirectly, the abuse of drugs through providing information or devices (or both) regarding the

manner in which the adverse health consequences of such abuse can be minimized.

(2) In the case of individuals participating in the programs, the number of individuals who have engaged in the abuse of drugs prior to admission to the programs and the number of individuals who have not engaged in such abuse prior to such admission.

(3) The extent to which participation in the programs has altered any behaviors constituting a substantial risk of contracting acquired immune deficiency syndrome or hepatitis B, or of transmitting either of the diseases.

(4) The number of programs that provide referrals for the treatment of such abuse and the number of programs that do not provide such referrals.

(5) The extent to which programs safely dispose of used hypodermic syringes and needles.

(b) **NATIONAL ACADEMY OF SCIENCES.**—The Secretary shall request the National Academy of Sciences to enter into the contract under subsection (a) to conduct the study described in such subsection. If such Academy declines to conduct the study, the Secretary shall carry out such subsection through another public or nonprofit private entity.

(c) **LIMITATION REGARDING EXISTING PROGRAMS.**—The study required in subsection (a) may not be conducted with respect to programs established after the date of the enactment of this Act.

(d) **DATE FOR COMPLETION.**—The Secretary shall ensure that, not later than 18 months after the date of the enactment of this Act, the study required in subsection (a) is completed and a report describing the findings made as a result of the study is submitted to the Committee on Energy and Commerce of the House of Representatives and to the Committee on Labor and Human Resources of the Senate.

(e) **DEFINITION.**—For purposes of this section, the term “Secretary” means the Secretary of Health and Human Services.

(f) **FUNDING.**—Of the aggregate amounts appropriated under the Public Health Service Act for fiscal years 1992 and 1993 for research on drug abuse, the Secretary shall make available \$5,000,000 for conducting the study required in subsection (a).

#### SEC. 234. STUDY OF BARRIERS TO INSURANCE COVERAGE OF TREATMENT FOR SUBSTANCE ABUSE.

(a) **STUDY.**—The Secretary of Health and Human Services shall conduct a study of the barriers to insurance coverage for the treatment of substance abuse. The study shall include an assessment of the effect of managed care on the quality and financing of such treatment.

(b) **REPORT TO CONGRESS.**—Not later than 1 year after the date of the enactment of this Act, the Secretary shall complete the study required in subsection (a) and submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing the findings made as a result of the study.

#### SEC. 235. STUDY ON FETAL ALCOHOL EFFECT AND FETAL ALCOHOL SYNDROME.

(a) **IN GENERAL.**—The Secretary of Health and Human Services (in this section referred to as the “Secretary”) shall enter into a contract with a public or nonprofit private entity to conduct a study on the prevalence of fetal alcohol effect and fetal alcohol syndrome in the general population of the United States and on the adequacy of Federal efforts to reduce the incidence of such conditions (including efforts regarding appropriate training for health care providers). The Secretary shall ensure that the study—

(1) describes diagnostic tools for identifying such conditions;

(2) compares the rate of each of such conditions with the rates of other drug-related conditions;

(3) evaluates the adequacy of available treatment for such conditions; and

(4) evaluates the plans of Federal agencies to conduct research on the conditions and determines the adequacy of such plans in relation to the impact on public health of the conditions.

(b) **NATIONAL ACADEMY OF SCIENCES.**—The Secretary shall request the National Academy of Sciences to enter into the contract under subsection (a) to conduct the study described in such subsection. If such Academy declines to conduct the study, the Secretary shall carry out such subsection through another public or nonprofit private entity.

(c) **REPORT.**—The Secretary shall ensure that, not later than 18 months after the date of the enactment of this Act, the study required in subsection (a) is completed and a report describing the findings made as a result of the study is submitted to

the Committee on Energy and Commerce of the House of Representatives and to the Committee on Labor and Human Resources of the Senate.

## PART IV—CHILDREN OF SUBSTANCE ABUSERS

### SEC. 241. ESTABLISHMENT OF PROGRAM OF SERVICES.

Title III of the Public Health Service Act (42 U.S.C. 301 et seq.) is amended by adding at the end the following new part:

#### "PART M—SERVICES FOR CHILDREN OF SUBSTANCE ABUSERS

##### "SEC. 399D. GRANTS FOR SERVICES FOR CHILDREN OF SUBSTANCE ABUSERS.

"(a) ESTABLISHMENT.—The Secretary, acting through the Administrator of the Health Resources and Services Administration, shall make grants to public and nonprofit private entities for the purpose of carrying out programs to provide the services described in subsection (b) to children of substance abusers and to provide the applicable services described in subsection (c) to families in which a member is a substance abuser.

"(b) SERVICES FOR CHILDREN OF SUBSTANCE ABUSERS.—The Secretary may make a grant under subsection (a) only if the applicant involved agrees to make available (directly or through agreements with other entities) to children of substance abusers each of the following services:

"(1) Periodic evaluation of children for developmental, psychological, and medical problems.

"(2) Primary pediatric care, consistent with early and periodic screening, diagnostic, and treatment services described in section 1905(r) of the Social Security Act.

"(3) Other necessary and mental health services.

"(4) Therapeutic intervention services for children, including provision of therapeutic child care.

"(5) Preventive counseling services.

"(6) Counseling related to the witnessing of chronic violence.

"(7) Referral to related services, and assistance in establishing eligibility for related services.

"(8) Additional developmental services that are consistent with the provision of early intervention services, as such term is defined in part H of the Individuals with Disabilities Education Act.

"(c) SERVICES FOR AFFECTED FAMILIES.—The Secretary may make a grant under subsection (a) only if, in the case of families in which a member is a substance abuser, the applicant involved agrees to make available (directly or through agreements with other entities) each of the following services, as applicable to the family member involved:

"(1)(A) Services to—

"(i) Accomplish early identification of families where substance abuse is present.

"(ii) Accomplish early identification of children affected by parental substance abuse.

"(iii) Provide counseling to substance abusers on the benefits and availability of substance abuse treatment services and services for children of substance abusers.

"(iv) Assist substance abusers in obtaining and using substance abuse treatment services and services for children of substance abusers.

"(v) Visit and provide support to substance abusers, especially pregnant women, who are receiving substance abuse treatment services or services for children of substance abusers.

"(B) The Secretary may make a grant under subsection (a) only if the applicant involved agrees that services under subparagraph (A) will, the program carried out under subsection (a), be provided by a public health nurse, social worker, or similar professional, or by a trained worker from the community supervised by a professional.

"(2) In the case of substance abusers:

"(A) Encouragement and, where necessary, referrals to participate in appropriate substance abuse treatment.

"(B) Assessment of adult roles other than parenting, including periodic evaluation of social status, economic status, educational level, psychological condition, and skill level.



“(C) Primary health care and mental health services, including prenatal and post partum care for pregnant women.

“(D) Consultation and referral regarding subsequent pregnancies and life options, including education and career planning.

“(E) Where appropriate, counseling regarding family conflict and violence.

“(F) Remedial education services.

“(G) Referral to related services, and assistance in establishing eligibility for related services.

“(3) In the case of substance abusers, spouses of substance abusers, extended family members of substance abusers, caretakers of children of substance abusers, and other people significantly involved in the lives of substance abusers or the children of substance abusers:

“(A) An assessment of the strengths and service needs of the family and the assignment of a case manager who will coordinate services for the family.

“(B) Therapeutic intervention services, such as parental counseling, joint counseling sessions for families and children, and family therapy.

“(C) Child care or other care for the child to enable the parent to attend treatment or other activities and respite care services.

“(D) Parenting education services and parent support groups.

“(E) Support services, including, where appropriate, transportation services.

“(F) where appropriate, referral of other family members to related services such as job training.

“(G) Aftercare services, including continued support through parent groups and home visits.

“(d) CONSIDERATIONS IN MAKING GRANTS.—

“(1) IN GENERAL.—In making grants under subsection (a), the Secretary shall ensure that the grants are reasonably distributed among the following types of entities:

“(A) Alcohol and drug treatment programs, especially those providing treatment to pregnant women and mothers and their children.

“(B) Public or private nonprofit entities that provide health or social services to disadvantaged populations, including community-based organizations, local public health departments, community action agencies, hospitals, community health centers, child welfare agencies, developmental disabilities service providers, and family resource and support programs, and that have—

“(i) expertise in applying the services to the particular problems of substance abusers and the children of substance abusers; and

“(ii) an affiliation or contractual relationship with one or more substance abuse treatment programs.

“(C) Consortia of public or private nonprofit entities that include at least one substance abuse treatment program.

“(D) Indian tribes, Indian organizations, and Alaska Native villages.

“(2) ADDITIONAL CONSIDERATIONS.—In making grants under subsection (a), the Secretary shall ensure that the grants are—

“(A) distributed to an adequate number of eligible entities that—

“(i) provide residential treatment to substance abusers and provide appropriate therapeutic services to meet the needs of children of substance abusers while they reside with their parents during treatment;

“(ii) provide in-home and community-based services on an out-patient basis or in a primary pediatric care setting; or

“(iii) provide residential care for the parent with the child participating in the provision of such care while residing with a caretaker, and provide outreach, supportive, and therapeutic services for the child and the caretaker;

“(B) distributed to give priority to areas with a high incidence of poverty and a high incidence of children of substance abusers, infant mortality, infant morbidity, or child abuse;

“(C) distributed to ensure that entities serving Native American and Native Hawaiian communities are represented among the grantees; and

“(D) equitably distributed between urban and rural States and among all geographic regions of the country.

"(e) **FEDERAL SHARE.**—The Federal share of a program carried out under subsection (a) shall be 90 percent. The Secretary shall accept the value of in-kind contributions made by the grant recipient as a part or all of the non-Federal share of grants.

"(f) **EVALUATION.**—The Secretary shall periodically conduct evaluations to determine the effectiveness of programs supported under subsection (a)—

"(1) in reducing the incidence of alcohol and drug abuse among substance abusers participating in the programs;

"(2) in preventing adverse health conditions in children of substance abusers;

"(3) in promoting better utilization of health and developmental services and improving the health, developmental, and psychological status of children receiving services under the program;

"(4) in improving parental and family functioning;

"(5) in reducing the incidence of out-of-home placement for children whose parents receive services under the program; and

"(6) in facilitating the reunification of families after children have been placed in out-of-home care.

"(g) **REPORT.**—The Secretary shall annually prepare and submit to the the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report that contains a description of programs carried out under this section. At a minimum, the report shall contain—

"(1) information concerning the number and type of programs receiving grants;

"(2) information concerning the type and use of services offered;

"(3) information concerning—

"(A) the number and characteristics of families, parents, and children served;

"(B) the number of children served who remained with their parents during or after the period in which entities provided services under this section;

"(C) the number of children served who were placed in out-of-home care during the period in which entities provided services under this section;

"(D) the number of children described in subparagraph (C) who were reunited with their families; and

"(E) the number of children described in subparagraph (D) who were permanently placed in out-of-home care;

analyzed by the type of eligible entity described in subsection (e) that provided services;

"(4) an analysis of the access provided to, and use of, related services and alcohol and drug treatment through programs carried out under this section; and

"(5) a comparison of the costs of providing services through each of the types of eligible entities described in subsection (e).

"(h) **DATA COLLECTION.**—The Secretary shall periodically collect and report on information concerning the numbers of children in substance abusing families, including information on the age, gender and ethnicity of the children and the composition and income of the family.

"(i) **REQUIREMENT OF APPLICATION.**—The Secretary may not make any grant under this section unless an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

"(j) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out this section, there is authorized to be appropriated \$50,000,000 for each of the fiscal years 1992 through 1994."

## PART V—MISCELLANEOUS PROVISIONS

### SEC. 251. GRANTS FOR SMALL INSTRUMENTATION IN RESEARCH ON MENTAL HEALTH AND SUBSTANCE ABUSE.

Section 501(m)(5) of the Public Health Service Act (42 U.S.C. 290aa(m)(5)) is amended by striking "1991" and inserting "1994".

## TITLE III—TRAUMA CENTERS AND DRUG-RELATED VIOLENCE

### SEC. 301. ESTABLISHMENT OF PROGRAM OF GRANTS.

Title XII of the Public Health Service Act (42 U.S.C. 300d et seq.), as added by section 3 of Public Law 101-590 (104 Stat. 2915), is amended by adding at the end the following new part:

#### “PART D—TRAUMA CENTERS OPERATING IN AREAS SEVERELY AFFECTED BY DRUG-RELATED VIOLENCE

##### “SEC. 1241. GRANTS FOR CERTAIN TRAUMA CENTERS.

“(a) IN GENERAL.—The Secretary may make grants for the purpose of providing for the operating expenses of trauma centers that have incurred substantial uncompensated costs in providing trauma care in geographic areas with a significant incidence of violence arising from the abuse of drugs. Grants under this subsection may be made only to such trauma centers.

##### “(b) MINIMUM QUALIFICATIONS OF CENTERS.—

###### “(1) SIGNIFICANT INCIDENCE OF TREATING PENETRATION WOUNDS.—

“(A) The Secretary may not make a grant under subsection (a) to a trauma center unless the population of patients that has been served by the center for the period specified in subparagraph (B) includes a significant number of patients who were treated for wounds resulting from the penetration of the skin by knives, bullets, or other weapons.

“(B) The period specified in this subparagraph is the 2-year period preceding the fiscal year for which the trauma center involved is applying to receive a grant under subsection (a).

###### “(2) PARTICIPATION IN TRAUMA CARE SYSTEM OPERATING UNDER CERTAIN PROFESSIONAL GUIDELINES.—The Secretary may not make a grant under subsection (a) unless the trauma center involved is a participant in a system that—

“(A) provides comprehensive medical care to victims of trauma in the geographic area in which the trauma center is located;

“(B) is established by the State or political subdivision in which such center is located; and

“(C) has adopted guidelines for the designation of trauma centers, and for triage, transfer, and transportation policies, equivalent to (or more protective than) the applicable guidelines developed by the American College of Surgeons or utilized in the model plan established under section 1213(c).

##### “SEC. 1242. PREFERENCES IN MAKING GRANTS.

“(a) IN GENERAL.—In making grants under section 1241(a), the Secretary shall give preference to any application—

“(1) made by a trauma center that, for the purpose specified in such section, will receive financial assistance from the State or political subdivision involved for each fiscal year during which payments are made to the center from the grant, which financial assistance is exclusive of any assistance provided by the State or political subdivision as a non-Federal contribution under any Federal program requiring such a contribution; or

“(2) made by a trauma center that, with respect to the system described in section 1241(b)(2) in which the center is a participant—

“(A) is providing trauma care in a geographic area in which the availability of trauma care has significantly decreased as a result of a trauma center in the area permanently ceasing participation in such system as of a date occurring during the 2-year period specified in section 1241(b)(1)(B); or

“(B) will, in providing trauma care during the 1-year period beginning on the date on which the application for the grant is submitted, incur uncompensated costs in an amount rendering the center unable to continue participation in such system, resulting in a significant decrease in the availability of trauma care in the geographic area.

“(b) FURTHER PREFERENCE FOR CERTAIN APPLICATIONS.—With respect to applications for grants under section 1241 that are receiving preference for purposes of subsection (a), the Secretary shall give further preference to any such application made by a trauma center for which a disproportionate percentage of the uncompensated costs of the center result from the provision of trauma care to individuals who are undocumented aliens.



**"SEC. 1243. COMMITMENT REGARDING CONTINUED PARTICIPATION IN TRAUMA CARE SYSTEM.**

"The Secretary may not make a grant under subsection (a) of section 1241 unless the trauma center involved agrees that—

"(1) the center will continue participation in the system described in subsection (b) of such section throughout the 3-year period beginning on the date that the center first receives payments under the grant; and

"(2) if the agreement made pursuant to paragraph (1) is violated by the center, the center will be liable to the United States for an amount equal to the sum of—

"(A) the amount of assistance provided to the center under subsection (a) of such section; and

"(B) an amount representing interest on the amount specified in subparagraph (A).

**"SEC. 1244. GENERAL PROVISIONS.**

"(a) APPLICATION.—The Secretary may not make a grant under section 1241(a) unless an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this part.

"(b) LIMITATION ON DURATION OF SUPPORT.—The period during which a trauma center receives payments under section 1241(a) may not exceed 3 fiscal years, except that the Secretary may waive such requirement for the center and authorize the center to receive such payments for 1 additional fiscal year.

**"SEC. 1245. AUTHORIZATION OF APPROPRIATIONS.**

"For the purpose of carrying out this part, there are authorized to be appropriated \$50,000,000 for fiscal year 1992, \$100,000,000 for fiscal year 1993, and \$150,000,000 for fiscal year 1994."

**SEC. 302. CONFORMING AMENDMENTS.**

Title XII of the Public Health Service Act (42 U.S.C. 300d et seq.), as added by section 3 of Public Law 101-590 (104 Stat. 2915), is amended—

(1) in the heading for part C, by inserting "REGARDING PARTS A AND B" after "PROVISIONS";

(2) in section 1231, in the matter preceding paragraph (1), by striking "this title" and inserting "this part and parts A and B"; and

(3) in section 1232(a), by striking "this title" and inserting "parts A and B".

## **TITLE IV—NATIONAL COMMISSION ON ALCOHOL AND TOBACCO USE BY CHILDREN**

**SEC. 401. ESTABLISHMENT AND DUTIES OF COMMISSION.**

The Secretary of Health and Human Services shall establish a commission to be known as the National Commission on Alcohol and Tobacco Use By Children.

**SEC. 402. DUTIES.**

The Commission shall—

(1) identify the factors that encourage the initial use of tobacco products and alcoholic beverages by children, and the factors that influence the duration and extent of such use;

(2) assess the direct and indirect health consequences of such use by children;

(3) examine the effect and adequacy of efforts by manufacturers of such products and beverages to discourage such use, including an assessment of any activities of the manufacturers that may appeal to children and may promote such use;

(4) examine the adequacy and effect of Federal, State and local laws to prevent such use; and

(5) develop recommendations on the policies that should be established by public and private entities in order to reduce such use.

**SEC. 403. MEMBERSHIP.**

(a) COMPOSITION.—

(1) IN GENERAL.—The Commission shall be composed of 19 members. Of such members—

(A) 5 shall be ex officio members designated in accordance with subsection (b);

(B) 4 shall be members of the Congress designated in accordance with subsection (c); and

(C) 10 shall be appointed in accordance with subsection (d) from among individuals who are not officers or employees of the Federal Government.

(2) **VOTING MEMBERS.**—Each member of the Commission shall be a voting member.

(b) **EX OFFICIO MEMBERS.**—The following officials shall serve as ex officio members of the Commission:

(1) The Secretary.

(2) The Surgeon General of the Public Health Service.

(3) The Director of the Centers for Disease Control.

(4) The Director of the Office of National Drug Control Policy.

(5) The Chairman of the Federal Trade Commission.

(c) **CONGRESSIONAL MEMBERS.**—The congressional members of the Commission shall be appointed as follows:

(1) The Speaker of the House of Representatives shall appoint 2 members from the Members of the House, after consideration of the recommendations made by the Majority Leader and the Minority Leader of the House.

(2) The President Pro Tempore shall appoint 2 members from among the Members of the Senate, after consideration of the recommendations made by the Majority Leader and the Minority Leader of the Senate.

(d) **APPOINTED MEMBERS.**—The appointed members of the Commission shall be appointed by the Secretary, and shall be individuals who are specially qualified to serve as members of the Commission by virtue of the education, training, or experience of the individuals.

(e) **TERMS.**—

(1) **IN GENERAL.**—Each Member shall be appointed for the life of the Commission.

(2) **VACANCIES.**—A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(f) **BASIC PAY.**—Members shall serve without pay.

(g) **TRAVEL EXPENSES.**—Each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(h) **QUORUM.**—A majority of the members of the Commission shall constitute a quorum for the transaction of business.

(i) **CHAIR.**—The Secretary shall serve as the chair of the Commission.

(j) **MEETINGS.**—The Commission shall meet at the call of the Chairperson or a majority of its members.

#### **SEC. 404. STAFF AND OTHER SUPPORT.**

(a) **IN GENERAL.**—The Secretary shall appoint a director for the Commission. Such director shall be paid at a rate equal to the maximum rate of basic pay payable for GS-18 of the General Schedule under section 5332 of title 5, United States Code. The Secretary shall provide to the Commission such other staff, and such information and other assistance (including quarters, and experts and consultants) as may be necessary to carry out the duties of the Commission.

(b) **APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.**—The Director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for GS-18 of the General Schedule.

(c) **STAFF OF FEDERAL AGENCIES.**—Upon request of the Secretary, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of the agency to the Commission to assist the Commission in carrying out its duties under this Act.

#### **SEC. 405. REPORT.**

Not later than 18 months after the date on which the process of establishing the membership of the Commission in accordance with section 403 is completed, the Commission shall submit to the President and the Congress a report describing the findings and recommendations made by the Commission under section 402.

#### **SEC. 406. TERMINATION.**

The Commission shall terminate 6 months after the date on which the Commission submits its final report pursuant to section 405.

## SEC. 407. DEFINITIONS.

For purposes of this title:

- (1) The term "Commission" means the National Commission on Alcohol and Tobacco Use by Children established under section 401.
- (2) The term "Secretary" means the Secretary of Health and Human Services.

## TITLE V—MISCELLANEOUS

## SEC. 501. PHYSICIANS COMPARABILITY ALLOWANCE.

Section 1003 of the Anti-Drug Abuse Act of 1988 (21 U.S.C. 1502) is amended by adding at the end the following new subsection:

"(f) COMPENSATION OF DEPUTY DIRECTOR FOR DEMAND REDUCTION.—The position of Deputy Director for Demand Reduction, when occupied by a physician, shall be considered a Government physician for purposes of eligibility for the physicians comparability allowance, as defined in section 5948 of title 5, United States Code. For purposes of determining the amount of such allowance, such Deputy Director shall be deemed to have served as a Government physician for more than twenty-four months, and the amount necessary to deal with the recruitment and retention problem for such position shall be deemed to be \$20,000.

### PURPOSE AND SUMMARY

The principal purpose of H.R. 3698 is to revise and extend the authorization of appropriations for substance abuse and mental health programs of the Alcohol, Drug Abuse and Mental Health Administration (ADAMHA). ADAMHA is an agency of the U.S. Public Health Service within the Department of Health and Human Services. The legislation includes provisions to: (1) establish separate State block grants for community mental health and substance abuse services; (2) establish a program of financial assistance to trauma centers severely impacted by drug-related violence; (3) authorize a program of rural demonstration grants and establishing an Office of Rural Mental Health within the National Institute of Mental Health; (4) revise the allocation formula for community mental health service block grant funds to more accurately reflect the incidence of mental illness between States; (5) strengthen accountability for State substance abuse block grant funds through preparation of State Treatment Plans; (6) establish the Office for Treatment Improvement as an agency of ADAMHA; (7) require States receiving substance abuse block grant funds to enact a law establishing 18 as the minimum age of sale for tobacco products; (8) incorporate into substance abuse prevention programs strategies for reducing the use of tobacco products by underage youth; and (9) establish a new Substance Abuse Treatment Capacity Expansion Program.

Existing categorical grant programs reauthorized by the legislation include:

High Risk Youth Substance Abuse Prevention Grants.

Community Partnership Substance Abuse Prevention Grants.

Pregnant and Postpartum Women Substance Abuse Programs.

Substance Abuse Treatment Demonstrations of National Significance.

Substance Abuse Treatment Waiting List Reduction Grants.

National Institute on Alcohol Abuse and Alcoholism Research.



National Institute on Drug Abuse (NIDA) Research.

Small Instrumentation Grants for Alcohol, Drug Abuse and Mental Health Research.

A new authorization of appropriations is provided for biomedical and behavioral research at the National Institute of Mental Health (NIMH).

#### BACKGROUND AND NEED FOR THE LEGISLATION

The authorization of appropriations for the majority of mental health and substance abuse research, demonstration and service programs expired on September 30, 1991. The authority for these activities is contained in Titles V and XIX of the Public Health Service Act (42 U.S.C.) H.R. 3698 is necessary to extend the authority for these expired programs.

H.R. 3698 is critical to strengthening Federal drug and alcohol abuse demand reduction programs. Central to achieving this goal is revision of the Federal block grant program to bolster program accountability, assure fairness in the allocation of funds between states, and increase Federal funding to assure that individuals seeking treatment are not denied the opportunity for recovery due to waiting lists or other restrictions on access to treatment.

The Committee believes that the Alcohol, Drug Abuse and Mental Health Services Block Grant (ADMS) no longer provides an effective means of meeting the public health crisis which drug and alcohol abuse represent. The requirement of this program that 20 percent of every Federal dollar be allocated to community mental health services has become a hindrance to the development of an effective and responsive program to increase the availability of drug and alcohol abuse treatment and prevention services.

Deficiencies in the block grant are not limited to an impact on substance abuse. In many instances current block grant requirements have resulted in confused, sometimes irrational allocations of mental health resources within States. The allocation and distribution requirements of the program have frustrated Federal efforts to channel limited resources to areas of greatest need. For example, in fiscal year 1991 over 57 percent of ADMS block grant funds in New Hampshire, 51 percent in Vermont and 48 percent in Indiana are allocated for community mental health services. But in Wisconsin ADMS funding for community mental health services is 1.76 percent and in Iowa .58 percent. Mental health services in Delaware, the District of Columbia, Louisiana, New York, and Maryland receive less than 10 percent of their state's ADMS funding although when the program was first created in 1981 (Public Law 97-35) the mental health portion of the grant represented 50 percent of total program funding. Since the first year of the ADMS block grant, Federal funding for community mental health services has eroded. In FY 1981, community mental health services received \$303 million in support through Federal categorical grants. In FY 1982, the first year of the new ADMS block grant, mental health services represented approximately 50% of funding under the consolidated program. In FY 1992, mental health funding has declined to \$248 million and represents 20 percent of funding under the consolidated program. When the effects of inflation are taken into ac-

count, Federal support for community mental health services declined 47 percent under the ADMS block.

The experience with substance abuse funding has been quite different although funding disparities reflect similar administrative anomalies. Federal funding for substance abuse treatment has risen from a level of \$223 million in FY 1982 under the ADMS block grant to \$957 million in FY 1992; an increase of over 400 percent.

There are more efficient and equitable means of addressing the Nation's need for more effective alcohol, drug abuse and community mental health service programs. For this reason, the Committee has recommended the establishment of two discrete block grants, one limited to drug and alcohol abuse and the second for community mental health services. The advantage of such a functional and programmatic division to program accountability is obvious. More important, separate block grants will allow the Congress to target Federal funds to specific needs and gradually stop the curious practice that appropriations made to a State for substance abuse are allocated instead to community mental health services.

In addition, the Committee notes that separate programs will permit the allocation of Federal funds to those States with populations most at risk of substance abuse or mental illness. Under current law, both substance abuse and mental health funds are allocated under a formula which places great weight on the relative urban population of a state. Research has demonstrated significant variation in the sex and age of persons at risk of mental illness versus those at risk of substance abuse. For this reason, a different formula is necessary if the Congress is to have confidence that the allocation of Federal mental health funds is targeted to populations most at risk of mental illness.

The General Accounting Office confirmed the need for a change in the formula for allocating mental health service funds. In testimony before Congress the GAO concluded:

"Our analysis of the allocation of mental health funds within States shows that the within-State mental health policy leads to what is a random allocation of Federal mental health funds among States. . . . Our figures show that Vermont and Indiana receive about \$44 and \$27 respectively per person at risk when expressed in dollars of comparable purchasing power. At the other extreme, Wisconsin and Iowa receive just 84 cents and 22 cents respectively per person at risk. . . .

Turning to the subcommittee's proposed formula, we find that it would improve on the current law in two respects. First, it would better reflect people in need of mental health services. Second it would allow for the intended targeting of the additional aid to States with less financing capacity." <sup>1</sup>

<sup>1</sup> Testimony on Linda G. Morra, Director of Human Services Policy and Management Issues, General Accounting Office, Hearing before the Subcommittee on Health and the Environment, Committee on Energy and Commerce, House of Representatives, May 16, 1991, Serial No. 102-27, p. 88.

Legislation is also necessary to assure the availability of substance abuse treatment services to pregnant women. Hearings before Congress have demonstrated a lack of adequate services. Indeed, according to the General Accounting Office: "Estimates of the infants born annually who are prenatally drug exposed range from 100,000 to 375,000 and . . . there is a very wide gap between women needing treatment and those who are actually in treatment."<sup>2</sup> The Committee amendment addresses this problem by gradually increasing from 10 percent in FY 1991 to 25 percent in FY 1994 the requirement that States receiving substance abuse block grant funds earmark a portion of those funds for new programs to meet the unique treatment needs of pregnant women and women with dependent children. Further, the Committee amendment requires that States assure that treatment services are available to each pregnant woman who seeks and would benefit from such services. The Committee believes that assuring the availability of treatment services to this most vulnerable population is the most fundamental measure of government's commitment to stop the intergenerational phenomenon of addiction. In addition, the Committee amendment strengthens the pregnant and postpartum women substance abuse treatment grant program administered by the Office for Substance Abuse Prevention. Increased funding for this vital program will help increase the number of new residential treatment programs.

Passage of H.R. 3698 is also necessary to implement the recommendations of the President's National Drug Strategy. In particular, the legislation establishes a new substance abuse Capacity Expansion Program and provides greater State accountability for the use of Federal block grant funds through the preparation of State substance abuse prevention and treatment plans as a condition of receiving Federal funding. Finally, the Committee amendment deletes section 401 from the bill as introduced. That section had requested the Director of the Office for National Drug Control Policy to determine the extent to which the sale to and use by minors of alcoholic beverages and tobacco products were factors influencing individuals to abuse illicit drugs. This request is no longer necessary because, in the time between Subcommittee action and Committee action, the Director issued a report addressing this matter ("A Nation Responds to Drug Use, January 1992").

### HEARINGS

The Committee's Subcommittee on Health and the Environment held hearings on the reauthorization of alcohol, drug abuse and mental health service programs on May 16, 1991 (Serial No. 102-27) and June 20, 1991 (Serial No. 102-44). For the hearing on June 20, testimony was received from the following witnesses: Frederick K. Goodwin, Administrator, Alcohol, Drug Abuse, and Mental Health Administration; Elaine Johnson, Director, Office for Substance Abuse Prevention, ADAMHA; Mark Nadel, Associate Director for National and Public Health Issues, General Accounting

<sup>2</sup> Testimony of Mark V. Nadel, Associate Director for National and Public Health Issues, General Accounting Office before the Subcommittee on Health and the Environment, Committee on Energy and Commerce, House of Representatives, June 20, 1991, Serial No. 102-44, p. 202.



Office; Benny Primm, Associate Administrator for Treatment Improvement, ADAMHA; the Honorable Craig Thomas (R-WY), Member, U.S. House of Representatives. Additional statements for the record were received by: American Society of Addiction Medicine; the Honorable Richard J. Durbin (D-IL), Member, U.S. House of Representatives; Legal Action Center; and the Honorable Mary Rose Oakar (D-OH), Member, U.S. House of Representatives. On May 16, 1991, testimony was given by Elizabeth Bauer, president, National Association of Protection and Advocacy Systems; Rosalynn Carter, Former First Lady of the United States on behalf of the National Mental Health Association; Jerry C. Fastrup, Assistant Director and Senior Economist, General Accounting Office; Michael Hogan, National Association of State Mental Health Program Directors; Laverne B., on behalf of the Coalition of Mental Health Advocacy Organizations; the Honorable George Miller, (D-CA), Member, U.S. House of Representatives; Linda G. Morra, Director of Human Services Policy and Management Issues, General Accounting Office; Thomas M. Posey, president, National Alliance for the Mentally Ill; the Honorable Glenn Poshard (D-IL), Member, U.S. House of Representatives; Marge Samuels, on behalf of Mental Health Association of Montgomery County; Steven J. Solomon, president, National Council of Community Mental Health Centers; Richard C. Surles, commissioner, New York State Office of Mental Health; Richard Van Horn, board of directors, National Mental Health Association. Additional material was submitted for the record by: Association for Health Services Research; Coalition for Citizens With Long-Term Mental Illnesses; Lewis L. Judd, professor of psychiatry, University of California, San Diego.

#### COMMITTEE CONSIDERATION

On May 13, 1991, H.R. 2311, legislation to revise and extend Federal community mental health service programs was introduced by Mr. Waxman. On June 25, 1991, the Subcommittee on Health and the Environment met in open session and ordered reported the bill H.R. 2311, as amended, as a clean bill, by a roll call vote of 14 to 8, a quorum being present. On June 26, 1991, H.R. 2803, legislation reflecting the Subcommittee's action, was introduced by Mr. Waxman. Further action on H.R. 2803 was superseded by the Committee's consideration of H.R. 3698.

H.R. 3698, legislation to revise and extend Federal substance abuse and mental health service programs was introduced by Mr. Waxman on November 1, 1991. On November 6, 1991, the Subcommittee on Health and the Environment met in open session and ordered reported the bill H.R. 3698 with amendment by a recorded vote of 6 to 4, a quorum being present. On March 4, 1992, the Committee met in open session and ordered reported the bill H.R. 3698, with amendment, by voice vote, a quorum being present.

#### COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 2(1)(3)(A) of rule XI of the Rules of the House of Representatives, oversight findings and recommendations are reflected in the Committee report.

## COMMITTEE ON GOVERNMENT OPERATIONS

Pursuant to clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives, the following oversight findings have been submitted to the Committee by the Committee on Government Operations.

HUMAN RESOURCES AND  
INTERGOVERNMENTAL RELATIONS SUBCOMMITTEE,  
COMMITTEE ON GOVERNMENT OPERATIONS,  
Washington, DC, March 18, 1992.

Hon. JOHN D. DINGELL,  
*Chairman, Committee on Energy and Commerce,*  
*Rayburn House Office Building, Washington, DC.*

DEAR MR. CHAIRMAN: During the last three years, the Human Resources and Intergovernmental Relations Subcommittee has conducted hearings and an investigation regarding the Community Mental Health Centers construction grant program. In addition, the Office of the Inspector General of the Department of Health and Human Services prepared two reports on that topic, which were released at a hearing we conducted in October. Pursuant to Rule X, clause 4 of the House of Representatives, I am writing to comment on those sections of H.R. 3698, the Community Mental Health and Substance Abuse Services Improvement Act of 1992, that are relevant to our report and investigation.

More than 300 community mental health centers (CMHCs) were built with the help of Federal funds administered through the CMHC construction grant program. In order to receive a construction grant, each center had to agree to provide five essential types of services (including inpatient and outpatient care, day treatment services, 24-hour emergency services, and consultation and education) for at least 20 years. Services had to be available to all those in the community who needed them, regardless of their ability to pay.

In our investigation, we agreed with the findings of the HHS Inspector General that NIMH and ADAMHA have not provided adequate oversight of the community mental health centers that received Federal funding. As a result, approximately half of the centers are not complying with the conditions set forth when they received their Federal grants. In about half of those cases the problems are not very serious; in the other half, the centers are not providing all five of the essential services that were required, or are not providing a reasonable proportion of services for free or below cost, which was also required as a condition of receiving the grant.

As a result of the poor oversight of those programs, many mentally ill citizens were unable to receive the help that they desperately needed. In addition, millions of dollars that should have been returned to the U.S. treasury because of failure to comply with grand regulations, have not been collected.

The provision regarding community mental health centers included in H.R. 3698 would require all states receiving funding from the Alcohol, Drug Abuse, and Mental Health block grant to determine the extent to which CMHCs within the State that received

construction grants are currently complying with the requirements of those grants. ADAMHA would apparently still be responsible for working with any CMHCs that need to be brought into compliance with the law, or need to provide restitution because of their failure to comply with the law. Requiring States to monitor the compliance of their own centers will assist NIMH in discharging their statutory responsibility to ensure that service commitments are fulfilled. This division of responsibility, between the State and the NIMH, seems a reasonable alternative to the current system, which does not give the State any monitoring responsibilities regarding their own centers.

I am pleased to provide information from our hearing and investigation that has implications for H.R. 3698, and I strongly support this legislative effort to improve the safeguards for PHS-funded community mental health centers.

Sincerely,

TED WEISS, *Chairman.*

### COMMITTEE COST ESTIMATE

In compliance with clause 7(a) of rule XIII of the Rules of the House of Representatives, the Committee believes the cost incurred in carrying out H.R. 3698 is reflected in the following authorization of appropriations table.

#### AUTHORIZATION OF APPROPRIATIONS—H.R. 3698

[Millions of dollars]

Program	Fiscal year—		
	1992	1993	1993
Mental Health: Research .....	500	600	675
Demonstrations:			
Children .....	100	200	300
Miscellaneous .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Services: Block grant .....	303	420	520
Substance abuse:			
Research:			
Drug .....	293	330	360
Alcohol .....	160	260	360
Treatment services:			
Block grant .....	1,057	1,100	1,150
Capacity expansion .....	68	70	72
Waiting list reduction .....	40	40	40
Pregnant addicts .....	100	150	200
Treatment demonstrations:			
National significance .....	240	300	400
Children of substance abusers .....	50	50	50
Capital area demonstration .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Prevention demonstrations:			
Community partnerships .....	114	165	215
High risk youth .....	60	80	100
Training .....	26	28	30
Miscellaneous:			
Research instrumentation .....	5	5	5
Trauma center assistance .....	50	100	150

<sup>1</sup> Legislation authorizes appropriations at the level of "such funds as may be necessary".

<sup>2</sup> Legislation requires the Secretary of Health and Human Services to reserve, from appropriations available to the Alcohol, Drug Abuse and Mental Health Administration, a total of \$10 million in fiscal year 1992, \$10 million in fiscal year 1993 and \$5 million in fiscal year 1993.



## CONGRESSIONAL BUDGET OFFICE ESTIMATE

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
Washington, DC, March 18, 1992.

Hon. JOHN D. DINGELL,  
Chairman, Committee on Energy and Commerce,  
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3698, the Community Mental Health and Substance Abuse Services Improvement Act of 1991, as ordered reported by the House Committee on Energy and Commerce on March 4, 1992. Enactment of H.R. 3698 would not affect direct spending or receipts. Therefore, pay-as-you-go procedures would not apply to this bill.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

JAMES L. BLUM  
(For Robert D. Reischauer).

1. Bill number: H.R. 3698.
2. Bill title: Community Mental Health and Substance Abuse Services Improvement Act of 1991.
3. Bill status: As ordered reported by the House Committee on Energy and Commerce on March 4, 1992.
4. Bill purpose: To amend the Public Health Service Act with respect to services for mental health and substance abuse, including establishing separate block grants to enhance the delivery of such services.
5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1992	1993	1994	1995	1996
Estimated Authorization Levels					
Mental health block grants.....		420	520		
Substance abuse block grants.....		1,100	1,150		
Children's mental health.....	( <sup>2</sup> )	100	200	300	
Substance abuse capacity expansion.....	68	70	72		
Research on mental health.....	0	600	675		
Research on alcohol abuse.....	8	260	360		
Research on drug abuse.....	25	330	360		
Protection and advocacy.....	0	20	21		
Office for treatment improvement.....	240	300	400		
Community substance abuse.....	114	165	215		
Correctional institutions.....	50	50	50		
High risk youth.....	2	80	100		
Pregnant women.....	47	150	200		
Training.....	26	28	30		
Reduction of waiting period.....	40	40	40		
Instrumentation grants.....	4	5	5		
Trauma centers, drug-related violence.....	50	100	150		
Children of substance abusers.....	50	50	50		
National Commission.....	( <sup>1</sup> )	( <sup>1</sup> )			
Study on fetal alcohol syndrome.....	1				
Study of barriers to insurance coverage.....	( <sup>1</sup> )				
Total estimated authorization.....	726	3,868	4,597	300	

[By fiscal years, in millions of dollars]

	1992	1993	1994	1995	1996
Estimated Outlays					
Mental health block grants.....	0	168	422	303	47
Substance abuse block grants.....	0	440	1021	686	104
Children's mental health.....	( <sup>2</sup> )	40	131	231	171
Substance abuse capacity expansion.....	27	63	71	43	6
Research on mental health.....	0	240	522	392	122
Research on alcohol abuse.....	3	107	255	198	65
Research on drug abuse.....	10	143	287	211	65
Protection and advocacy.....	0	8	19	12	2
Office for Treatment Improvement.....	96	242	335	231	36
Community substance abuse.....	46	124	180	125	19
Correctional institutions.....	20	46	50	30	5
High risk youth.....	1	33	81	58	9
Pregnant women.....	19	84	161	116	18
Training.....	10	22	28	18	5
Reduction of waiting period.....	16	36	40	24	4
Instrumentation grants.....	2	4	5	3	1
Trauma centers, drug-related violence.....	20	66	116	86	14
Children of substance abusers.....	20	46	50	30	5
National Commission.....	( <sup>1</sup> )	( <sup>1</sup> )			
Study on fetal alcohol syndrome.....	1				
Study of barriers to insurance coverage.....	( <sup>1</sup> )				
Total estimated outlays.....	292	1,913	3,774	2,794	696

<sup>1</sup> Less than \$500,000.<sup>2</sup> Authorization is provided as a portion of mental health block grants; outlays are incorporated in outlays for mental health block grants.

The costs of this bill fall within budget function 550.

Basis of estimate: The bill authorizes funds for certain Public Health Service programs for 1992-1994. Nonetheless, appropriations for some of these programs have already been made for fiscal year 1992. In these cases, the table shows the difference between the authorized funding level in the bill and the fiscal year 1992 appropriation. The bill authorizes a total of \$3.1 billion for 1992 of which \$2.4 billion already has been appropriated. The bill would authorize an additional amount of \$0.7 billion in 1992.

**Mental Health Block Grants.** H.R. 3698 would replace the old Alcohol, Drug Abuse and Mental Health Block Grant with two separate block grants for mental health and substance abuse services. In fiscal year 1992, \$1.36 billion was appropriated for the Alcohol, Drug Abuse and Mental Health Block Grant. This amount would be allocated between the Mental Health and Substance Abuse Block Grants.

The mental health block grants would provide funds to states for establishment and implementation of organized community-based systems of mental health services. The bill would require the Secretary of Health and Human Services (HHS) to provide technical assistance without charge to any state receiving a grant. The bill also would authorize funding for data collection with respect to mental health, and for an ongoing program of research on community mental health programs and services. For these activities, the bill authorizes appropriations of \$303 million for fiscal year 1992, \$420 million for fiscal year 1993, and \$520 million for fiscal year 1994. Of these amounts, the bill requires that 5 percent is allocated for technical assistance and data collection activities, and that 10 per-

cent of the fiscal year 1992 block grant is used to fund children's mental health services.

*Substance Abuse Block Grants.* The bill would reauthorize funding for block grants to states for activities to prevent and treat alcohol and drug abuse. The bill would require the Secretary of HHS to provide technical assistance without charge to any state receiving a grant. The bill also would authorize funding for data collection with respect to mental health, and for evaluation of substance abuse treatment programs. For these activities, the bill authorizes appropriations of \$1.057 billion in fiscal year 1992, \$1.1 billion in fiscal year 1993, and \$1.15 billion in fiscal year 1994. Of these amounts, the bill requires that 3 percent be allocated for technical assistance and data collection. In addition, the bill requires that 20 percent of the amount reserved for technical assistance and data collection be obligated for technical assistance with respect to prevention activities and for the Office of Substance Abuse Prevention. The bill also requires that 2 percent of the block grant appropriation each year be used to fund model projects for pregnant and postpartum women and their infants.

*Children's Mental Health.* H.R. 3698 would authorize the Secretary of HHS, acting through the Director of the National Institute of Mental Health (NIMH), to make grants to public entities that provide comprehensive community mental health services to children with serious emotional disturbances. The bill requires that grant recipients make non-federal contributions of \$1 for each \$3 of federal funds during the first through third year of the grant; contributions of \$1 for each \$1 of federal funds during the fourth year; and contributions of \$2 for each \$1 of federal funds during the fifth year. The bill requires that the Secretary of HHS give special consideration to any entity that agrees to provide non-federal contributions in a greater amount than the amount required for the applicable fiscal year, or if a state agrees to provide a portion of the non-federal contributions. The bill authorizes an appropriation of 10 percent of the Mental Health Block Grant for fiscal year 1992. For fiscal years 1993 through 1995, the bill authorizes appropriations of \$100 million, \$200 million, and \$300 million, respectively, for these grants. Of the amounts appropriated for a fiscal year, the bill requires that not less than \$3 million be set aside for technical assistance, and that no more than 2 percent of the grant will be expended for administrative expenses.

*Expansion of Substance Abuse Treatment Capacity.* The bill would authorize the Secretary of HHS, acting through the Director of the Office for Treatment Improvement, to make grants to states in order to increase their capacity for providing effective treatment for substance abuse. In making grants, the bill requires that the director give priority to applicants who provide residential treatment services for pregnant women, and requires that the director give further priority to the applicant if a state agrees to provide non-federal contributions in a greater amount than the amount required for the applicable fiscal year. Non-federal contributions are required at a rate of \$1 for each \$9 of federal funds in the first fiscal year for which a state receives a grant; not less than \$1 for each \$2 of federal funds in the second fiscal year; and not less than \$1 for each \$1 of federal funds in any subsequent fiscal year. The



bill authorizes appropriations of \$68 million for fiscal year 1992, \$70 million for fiscal year 1993, and \$72 million for fiscal year 1994 for these grants.

*Mental Health Research.* H.R. 3698 would authorize the Secretary of HHS, acting through the Director of NIMH, to fund programs for research on mental health at \$500 million for fiscal year 1992, \$600 million for fiscal year 1993, and \$675 million for fiscal year 1994. Of these amounts, the bill requires that 15 percent be used to fund service research on community-based treatment programs. The bill also requires that of the amounts appropriated for fiscal year 1992, fiscal year 1993, and fiscal year 1994, \$5 million, \$8 million and \$10 million, respectively, will be used to fund an Office of Rural Mental Health. For fiscal year 1992, the appropriated amount for this program is \$503 million.

*Alcohol Abuse Research.* The bill would authorize the Secretary of HHS, acting through the National Institute on Alcohol Abuse and Alcoholism, to fund a program for research on alcohol abuse and alcoholism. The bill authorizes appropriations of \$160 million for fiscal year 1992, \$260 million for fiscal year 1993, and \$360 million for fiscal year 1994 for this program. The fiscal year 1992 appropriation for this program is \$152 million.

*Drug Abuse Research.* H.R. 3698 would authorize the Director of the National Institute on Drug Abuse to provide funding for drug abuse research. The bill would add funding authority for the development and demonstration of new methods of screening and early detection, referral, and diagnosis, and the development and demonstration of new methods for dissemination of information on prevention and treatment. The bill would remove funding authority for drug abuse demonstration projects. The bill authorizes appropriations of \$293 million for fiscal year 1992, \$330 million for fiscal year 1993, and \$360 million for fiscal year 1994. The fiscal year 1992 appropriation for this program is \$268 million. Of the amounts authorized for fiscal year 1992 and 1993, the bill requires the Secretary to set aside \$5 million for a study regarding AIDS prevention programs that provide sterile hypodermic needles and bleach to individuals.

*Protection and Advocacy.* The bill would reauthorize funding for protection and advocacy activities for mentally ill individuals at such sums as may be necessary in each of fiscal years 1992 through 1994. This program was funded at \$19.5 million in fiscal year 1992. CBO estimated fiscal year 1993 and 1994 authorization amounts by adjusting the fiscal year 1992 appropriation amount for projected inflation.

*Office for Treatment Improvement.* The bill would authorize establishment of an Office for Treatment Improvement, and would authorize funding at \$240 million for fiscal year 1992, \$300 million for fiscal year 1993, and \$400 million for fiscal year 1994. The bill requires the Director of the Treatment Office to reserve not less than 10 percent of these amounts for projects that provide treatment services and that are operated by community or migrant health centers, or by health centers for the homeless.

*Comprehensive Treatment for Substance Abuse.* H.R. 3698 also would authorize the Director of the Treatment Office to make a demonstration grant to establish a model program within the na-

tional capital area for providing comprehensive treatment services for substance abuse. The bill requires that the grant recipient make non-federal contributions towards program costs of not less than \$1 for each \$4 of federal funds provided by the grant. In order to fund this program, the bill reserves \$10 million in fiscal year 1992, \$10 million in fiscal year 1993, and \$5 million for fiscal year 1994 from the existing authorizations for appropriations for the Alcohol, Drug Abuse, and Mental Health Administration. Because this provision does not add to current authorizations, no additions are shown in the cost table.

*Community Substance Abuse.* H.R. 3698 would authorize the Secretary of HHS, acting through the Director of the Prevention Office, to provide assistance to communities to develop long-term strategies for substance abuse prevention, and to evaluate the success of different community approaches towards substance abuse prevention. For these purposes, the bill authorizes appropriations of \$114 million for fiscal year 1992, \$165 million for fiscal year 1993, and \$215 million for fiscal year 1994.

*Correctional Institutions.* The bill would authorize the Director of the Treatment Office to fund demonstration programs to provide treatment services for substance abuse to inmates of penal or correctional institutions. The bill authorizes appropriations of \$50 million for each of the fiscal years 1992 through 1994 for these programs.

*High Risk Youth.* The bill would reauthorize funding for prevention, treatment, and rehabilitation model projects for high risk youth at \$60 million for fiscal year 1992, \$80 million for fiscal year 1993, and \$100 million for fiscal year 1994. In fiscal year 1992, \$58 million is appropriated for this program.

*Pregnant Women.* H.R. 3698 would authorize the Director of the Prevention Office to make grants for the purpose of providing treatment for substance abuse to pregnant and postpartum women. The bill would require that grant recipients provide non-federal contributions of not less than \$1 for each \$9 of federal funds provided during the first year of grant payments; and \$1 for each \$3 of federal funds provided during any subsequent year of grant payments. The bill also would authorize grants to establish projects for prevention and education activities, and outpatient treatment, regarding the effects of drug and alcohol abuse on pregnant and postpartum women and their infants. For both grant programs, the bill authorizes appropriations of \$100 million for fiscal year 1992, \$150 million for fiscal year 1993 and \$200 million for fiscal year 1994. In addition to the amounts above, the bill allows transfers of \$31 million each fiscal year from the special forfeiture fund of the Director of the Office of National Drug Control Policy. The fiscal year 1992 appropriation is \$52.6 million for these programs.

*Training.* The bill would authorize the Director of the Prevention Office to develop programs to increase both the number of full-time substance abuse treatment professionals and the number of health professionals providing treatment services. The bill authorizes appropriations of \$26 million for fiscal year 1992, \$28 million for fiscal year 1993, and \$30 million for fiscal year 1994 for these programs.



*Waiting Period Reduction.* H.R. 3698 would reauthorize funding for grants for the purpose of reducing the waiting period for receiving drug abuse treatment services from public and nonprofit private providers of such services at \$40 million for each of the fiscal years 1992 through 1994. In fiscal year 1992, no appropriations were made to fund this program.

*Instrumentation Grants.* H.R. 3698 would reauthorize funding for grants for small instrumentation in research on mental health and substance abuse at \$5 million in each of the fiscal years 1992 through 1994. In fiscal year 1992, \$1.3 is appropriated for this program.

*Trauma Centers.* The bill would authorize establishment of a program of grants to provide for the operating expenses of certain trauma centers. The centers covered by the bill are those that have incurred substantial uncompensated costs in providing trauma care in geographic areas with a significant incidence of violence arising from drug abuse. The bill authorizes appropriations of \$50 million for fiscal year 1992, \$100 million for fiscal year 1993, and \$150 million for fiscal year 1994 for this program.

*Children of Substance Abusers.* The bill would authorize establishment of programs to provide services to children of substance abusers and to families in which a member is a substance abuser. The bill requires that grant recipients provide non-federal contributions of \$1 for each \$9 of federal funding, and authorizes appropriations of \$50 million for each of the fiscal years 1992 through 1994 for these programs.

*National Commission.* H.R. 3698 would authorize establishment of a 19-member National Commission on Alcohol and Tobacco Use by Children. Expenses for the commission would include salary for the staff and director, cost of materials, and travel and per diem expenses for the rest of the commission. CBO estimates that this commission would cost \$200,000 in each of fiscal years 1992 and 1993.

*Fetal Alcohol Syndrome.* H.R. 3698 would authorize funding for a study on the prevalence of fetal alcohol effect and fetal alcohol syndrome in the general population of the United States and on the adequacy of federal efforts to reduce the incidence of such conditions. According to the National Academy of Sciences, such a study would cost \$1 million.

*Barriers to Insurance Coverage Study.* The bill would authorize the Secretary of HHS to conduct a study of the barriers to insurance coverage for the treatment of substance abuse. CBO estimates that the study would cost less than \$500,000.

Except for fiscal year 1992, this estimate assumes that all authorizations are fully appropriated at the beginning of each fiscal year. Because regular appropriations already have been made for fiscal year 1992, additional authorizations would require supplemental appropriations. Outlays are estimated using spendout rates computed by CBO on the basis of recent program data.

6. Pay-as-you-go considerations: The Budget Enforcement Act of 1990 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1995. None of the provisions of H.R. 3698 would affect direct spending or receipts. Therefore, this bill has no pay-as-you-go implications.



7. Estimated cost to State and local government: The following programs require non-federal matching funds: Mental Health Research, Children's Mental Health, Model Program for the National Capital Area, Substance Abuse Treatment for Pregnant Women, and Services for Children of Substance Abusers. Grant recipients are required to make non-federal matching contributions at the rates detailed in the estimate. Non-federal contributions could come from state and local governments.

8. Estimate comparison: None.

9. Previous CBO estimate: None.

10. Estimate prepared by: Connie Takata.

11. Estimate approved by: C.G. Nuckols, Assistant Director for Budget Analysis.

#### INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(1)(4) of rule XI of the Rules of the House of Representatives, the Committee makes the following statement with regard to the inflationary impact of the reported bill:

The Department of Health and Human Services estimates that substance abuse cost the nation in excess of \$200 billion annually in direct and indirect costs. These include unnecessary health care costs as well as the excess mortality, lost employment and lost productivity to the United States economy. Left untreated, drug and alcohol abuse increase the demand for health care and other social services. By providing additional resources to expand the availability of treatment services and the scope of prevention programs, the Committee believes substance abuse by young people can be curtailed. The funding authorized by this legislation represents a fraction of the annual cost substance abuse already inflicts upon our nation and its economy. The Committee does not believe the expenditure of these funds will have an inflationary impact on the economy.

#### SECTION-BY-SECTION ANALYSIS

##### *Section 1. Short title and table of contents*

Subsection (a) cites the short title as the "Community Mental Health and Substance Abuse Services Improvement Act of 1991."

Subsection (b) provides a table of contents.

#### TITLE I—BLOCK GRANTS TO STATES REGARDING MENTAL HEALTH AND SUBSTANCE ABUSE

##### *Sec. 101. Establishment of separate block grant regarding mental health*

Section 101 amends title 19 of the Public Health Service Act (PHSA) to establish a discrete Federal block grant to provide States funding for the provision of community mental health services. States would be required to use Federal funds for the provision of services to individuals who are either adults with a serious mental illness or children with a serious emotional disturbance in accordance with a State plan. Provisions providing for a State planning process incorporate the planning requirements under section 1915 of the PHSA for State Comprehensive Mental Health Services

Plans. Services may be provided by States through a variety of community-based programs including community mental-health centers, child mental-health programs, psychosocial rehabilitation programs, and mental-health peer-support programs, and mental-health primary consumer-directed programs.

The formula for allocating funds to the States is based upon a State's fiscal capacity and the population at risk of mental illness. The requirement of current law that mental health funds be allocated on the basis of a State's relative urban population is deleted. Funding for the new block grant is authorized at levels of \$303 million, \$420 million and \$520 million in FY 92-94 respectively. Relative State allotments under the mental-health services block grant are reflected in the following table.

*Table 1: H.R. 3698—Mental health*

<i>State</i>	<i>Mental Health</i>
Alabama .....	\$4,539,520
Alaska .....	448,848
Arizona .....	3,998,235
Arkansas.....	2,637,489
California.....	30,187,411
Colorado.....	3,573,810
Connecticut .....	2,964,382
Delaware.....	683,042
District of Columbia .....	629,773
Florida.....	14,438,776
Georgia.....	7,039,575
Hawaii.....	1,162,261
Idaho.....	1,069,278
Illinois .....	11,352,377
Indiana.....	5,949,040
Iowa .....	2,929,210
Kansas.....	2,547,368
Kentucky .....	4,156,287
Louisiana .....	4,470,937
Maine .....	1,351,439
Maryland .....	5,079,062
Massachusetts.....	5,970,557
Michigan.....	9,698,137
Minnesota.....	4,497,598
Mississippi.....	2,881,299
Missouri.....	5,378,226
Montana .....	860,574
Nebraska .....	1,631,022
Nevada .....	1,308,960
New Hampshire .....	1,132,561
New Jersey.....	7,098,320
New Mexico.....	1,661,374
New York .....	17,562,437
North Carolina.....	7,486,453
North Dakota.....	690,864
Ohio.....	11,492,007
Oklahoma .....	3,469,295
Oregon.....	3,167,813
Pennsylvania .....	12,772,882
Rhode Island .....	1,112,389
South Carolina .....	4,001,311
South Dakota.....	747,731
Tennessee .....	5,452,321
Texas .....	17,891,257
Utah .....	1,672,506
Vermont.....	611,940
Virginia.....	6,616,450

<i>State</i>	<i>Mental Health</i>
Washington .....	5,300,235
West Virginia .....	2,083,054
Wisconsin .....	5,185,182
Wyoming .....	431,371
U.S. total .....	261,074,250

*Section 102. Establishment of separate block grant regarding*

Section 102 revises title 19 of the PHSA to establish a discrete Federal block grant to provide States funding for the provision of alcohol and drug abuse prevention and treatment services. The Committee amendment integrates programs for discouraging tobacco use by underage youth by requiring that States receiving substance abuse block grant funds enact a law prohibiting the sale or distribution of tobacco products to those under the age 18 and enforcing such law in a manner that can reasonably be expected to reduce the extent to which tobacco products are available to individuals under the age of 18. In addition, the Committee amendment requires that drug abuse prevention programs receiving block grant funds include strategies to discourage the use of alcoholic beverages and tobacco products by individuals to whom it is unlawful to sell or distribute such beverages or products.

The urban population-based formula present in current law for allocating funds to the States remains unchanged. Funding for the substance abuse block grant is authorized at levels of 1.057 billion in FY 1992, \$1.1 billion in FY 1993 and \$1.15 billion in FY 1994. Of funds appropriated in any fiscal year, the Committee amendment provides that 3% shall be obligated for the purpose of providing technical assistance, and data collection activities. 2% of funds appropriated shall be used to supplement funding available for the Office for Substance Abuse Prevention's Pregnant and Postpartum Women grant program. Relative state allotments under the substance abuse services block grant are reflected in the following table.

*Table 2: H.R. 3698—Substance abuse*

<i>State</i>	<i>Substance abuse</i>
Alabama .....	\$13,521,454
Alaska .....	2,187,200
Arizona .....	17,318,295
Arkansas .....	5,600,000
California .....	152,593,943
Colorado .....	15,322,787
Connecticut .....	12,989,099
Delaware .....	2,788,169
District of Columbia .....	3,463,409
Florida .....	63,884,207
Georgia .....	22,556,363
Hawaii .....	4,671,556
Idaho .....	2,320,759
Illinois .....	50,394,236
Indiana .....	18,397,435
Iowa .....	6,668,327
Kansas .....	6,760,982
Kentucky .....	10,071,776
Louisiana .....	15,338,819
Maine .....	3,723,200
Maryland .....	22,208,528
Massachusetts .....	27,002,094



<i>State</i>	<i>Substance abuse</i>
Michigan.....	37,085,842
Minnesota.....	15,100,413
Mississippi.....	5,817,962
Missouri.....	18,020,232
Montana.....	2,371,200
Nebraska.....	4,591,098
Nevada.....	5,804,844
New Hampshire.....	3,701,600
New Jersey.....	35,968,013
New Mexico.....	5,148,000
New York.....	80,775,239
North Carolina.....	18,875,568
North Dakota.....	1,558,372
Ohio.....	42,923,880
Oklahoma.....	9,869,645
Oregon.....	9,927,181
Pennsylvania.....	45,900,161
Rhode Island.....	5,150,215
South Carolina.....	11,111,259
South Dakota.....	3,007,200
Tennessee.....	15,891,049
Texas.....	74,082,367
Utah.....	8,555,349
Vermont.....	3,134,400
Virginia.....	24,451,116
Washington.....	21,002,048
West Virginia.....	4,508,000
Wisconsin.....	16,422,856
Wyoming.....	1,028,000
United States total.....	1,011,545,750

Section 102 also requires that entities funded for drug abuse services offer and encourage early intervention services for HIV. These early intervention services include counseling about HIV, testing, diagnostic services (such as T-cell counts), and the provision of outpatient therapies (such as pneumonia-preventing drugs or other prophylactic measures).

The Committee has added this requirement because it believes that HIV among drug users poses a dual risk that requires immediate attention: risk to the health of the drug users themselves and risk of transmission to others of the HIV through needle sharing or sexual contact. The Committee believes that the program of early intervention services is a necessary first step to an effective response to both risks. The Committee also believes that drug abuse treatment sites are a practical location for such services, providing access to services among persons who are at high risk for possible infection and who are receiving drug abuse services already. The artificial separation of AIDS services from drug treatment has often been a failure to provide either in an adequate manner.

The Committee notes that hearings held by the Small Business Committee, Subcommittee on Regulation, Business Opportunities and Energy, demonstrated the unavailability and inadequacy of drug and alcohol abuse programming aimed at assisting the employees of the nation's small businesses. The Committee amendment requires that each State receiving substance abuse block grant funds allocate \$50,000 to support the establishment and creation of organizations, consortia and employee assistance programs dedicated to meeting the substance abuse treatment needs of the small business work-place. The Committee expects the Secretary to

assure that state program directors use these funds for projects and programs specifically targeted to small business employers and employees, particularly programs and projects providing employee treatment opportunities while promoting continuing employment.

### *Section 103. General provisions regarding block grant*

Section 103 delineates the procedures for applying for block grant funds and for monitoring the use of such funds. These procedures make clear that States may, at their discretion, elect to consolidate their applications for funding under the mental health and substance abuse block grants. The Committee amendment also makes clear that the primary responsibility for monitoring the use of Federal funds and assuring State compliance with block grant requirements rests with the Secretary and may not, as was done in the past, delegate this responsibility to the States.

### *Section 104. Related categorical programs*

Section 104 authorizes two new categorical grant programs.

The Committee amendment authorizes establishment of a program to provide comprehensive community mental health services for children with serious emotional disturbances. The program will be administered by the National Institute of Mental Health and is authorized at funding levels of \$100 million in fiscal year 1993, \$200 million in fiscal year 1994 and \$300 million in fiscal year 1995. In fiscal year 1992 only, the Committee amendment provides that 10% of funding under the Community Mental Health services Block Grant (see section 101) will be made available for the purpose of initiating the new children's program.

The Committee is concerned that the difficulties and obstacles facing children with serious emotional disturbance and their families are numerous and widespread. The National Institute of Mental Health estimates that at least 7.5 million children have diagnosable psychological disorders, while nearly half of these children are severely disabled by their mental health problems. The suicide rate for adolescents ages 15 to 24 has nearly tripled during the last 30 years and four out of five runaway youth suffer from depression. These, and other equally worrisome trends, indicate the pressing need for intensive mental health services for many of our nation's youth.

However, there is a critical lack of services available to treat children with serious emotional disturbance. Many families are left to seek in vain for services for their children. The Office of Technology Assessment estimates that two-thirds of the nation's children who are seriously emotionally disturbed are not receiving services, while still others receive inappropriate care.<sup>3</sup> The Committee amendment authorizes funds for a range of services for children with serious emotional disturbance. The legislation provides seed money to stimulate the development of systems of care which are coordinated and community-based for children and their families. Grant recipients would include states, political subdivisions and Indian tribes. To encourage replication of such systems of care

<sup>3</sup> "Children's Mental Health: Problems and Services: Background Paper," Office of Technology Assessment, OTA-BP-H-33, Washington, D.C. December 1986.

throughout the state, non-state applicants would have to obtain comments on their plan from the state. Non-state applicants would receive special consideration for Federal funding if the state contributes funding to the project.

The legislation authorizes grants for five years to create comprehensive and coordinated systems of care to enable children and their families to find the range of services they need close to home. Unfortunately, in most communities, a continuum of care for such children is rarely available.

Grants would be awarded on a competitive basis and require a match. In an effort to increase state and local efforts to assure responsibility for the systems, the match would increase during the grant period: from 25% for the first three years to 50% in year four and to 66% in the final year.

The Committee recognizes that states are in various stages of implementing such systems of care. Thus, the legislation requires that the Secretary set aside \$3 million of the appropriation for technical assistance to assist potential recipients in the development of these systems. Technical assistance is particularly important for rural programs which face additional challenges in forging coordinated and comprehensive systems of care due to their geography. The Committee is concerned that State-wide models for rural states be developed if such states are to move toward a continuum of care for children.

Finally, grant recipients would be required to report annually to the Secretary of Health and Human Services and provide data on the numbers of children served through the program, estimates of unmet needs for such services in the state, and how the funds from this program have been used in the overall state plan to provide a system of community-based care for children with serious emotional disturbance. The Secretary would, in turn, evaluate the effectiveness of the systems of community care developed through this legislation. The Committee expects that this evaluation will be rigorous, and focus on the outcomes for children resulting from these new systems of care. Such evaluations should be designed to be of assistance to states as they move to improve and expand their system of care for children. In the report to Congress, the Committee expects the Secretary to suggest needed changes to this program, based on the results of these evaluations.

The Committee amendment also establishes a new program for expanding the capacity of States to provide substance abuse treatment services. In testimony before Congress, Administration officials argued a new program was necessary to address "some unintended inequities in the way the ADMS block grant is distributed."<sup>4</sup> The Committee is aware of and concerned by continuing shortages of substance abuse treatment services in many areas of the nation. Unfortunately the existing federal ADMS block grant program, as well as the proposed substance abuse prevention and treatment block grant, do not allow the federal government to adequately target scarce Federal treatment resources to areas with

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<sup>4</sup> Testimony of Frederick K. Goodwin, Administrator, Alcohol, Drug Abuse and Mental Health Administration, before the House Subcommittee on Health and the Environment, Energy and Commerce Committee, June 20, 1991, Serial No. 102-44, p. 16



shortages of substance abuse treatment services or hard-to-reach populations, such as pregnant addicts, adolescents, prison inmates, the homeless, or residents of public housing.

To ensure that these areas and special populations receive adequate substance abuse treatment services, Section 104 creates a new categorical program designed to provide funding to States which, relative to other States, have the most severe shortages of such services and which develop the most comprehensive proposals for addressing those shortages. Regardless of whether a State is urban or rural, any State that can demonstrate a shortage of treatment is eligible to apply for a grant.

It is the Committee's intention that the Director of the Office of Treatment Improvement (OTI) evaluate State applications for grants under this program. It is envisioned that this program will be administered as an umbrella grant where each State will be responsible for submitting a needs assessment and will receive funding for the projects it identifies as having the greatest need for treatment services. Successful grant applications will target resources to expand the capacity of treatment programs, especially those serving pregnant addicts. In this regard the Committee expects the Director of the OTI to give priority to proposals from States that seek to increase capacity of residential treatment services for pregnant addicts. States can also receive priority for agreeing to provide non-Federal contributions in amounts that exceed the minimum levels required by statute.

In order to ensure that States will continue to fund treatment services as long as they are needed, the Committee proposal requires States to contribute non-federal matching funds in a manner that decreases the federal role over the life of the grant. The Committee envisions that states will eventually assume primary financial responsibility for programs expanded or initiated with Federal funds. In the first fiscal year of the grant, the State must contribute at least 10% of the overall amount. That share increases to 33% in the second fiscal year and to 50% in the third and final fiscal year. states that demonstrate extraordinary economic circumstances may apply to the Director of OTI for a waiver from the matching requirement.

For the purpose of carrying out this section, there are authorized to be appropriated \$68,000,000 for fiscal year 1992, \$70,000,000 for fiscal year 1993, and \$72,000,000 for fiscal year 1994.

#### *Section 105. Temporary provisions regarding funding*

Subsection (a) provides procedures to assure an orderly transition from the consolidated ADMS block grant to discrete block grants for substance abuse and mental health. The Committee is aware that under the ADMS block grant program States have been required to allocate varying percentages of their annual allotments to substance abuse and mental health programs. During the initial years of transition to discrete block grants the Committee understands that some States may wish to continue providing the same dollar allotment to mental health or substance abuse as was available in the previous year under the consolidated program. Accordingly, the legislation provides that for a period of three fiscal years States may transfer funds between the substance abuse and mental

health services block grant in amounts sufficient to maintain levels comparable to those available under the consolidated program. For example, under current law in FY 1991, \$12.4 million of Indiana's annual allotment was earmarked for mental health services and \$13.1 million for substance abuse services. Under the proposed mental health services block grant, mental health funding will decline to a level of approximately \$6 million and substance abuse funding will increase. Under the Committee amendment, a State such as Indiana would be authorized to transfer from their substance abuse block grant, a portion sufficient to restore the mental health allotment to its fiscal year 1991 level.

Subsection (b) provides a special, onetime 10% allocation of appropriations under the community mental health services block grant for FY1992 to provide start-up funding for the new program of grants for comprehensive community mental health services for children with serious emotional disturbances. Under current law, States receiving ADMS funding are required to allocate "not less than 10 percent to provide services and programs for seriously emotionally disturbed children and adolescents."<sup>5</sup> The original objective of this requirement is superceded by establishment of a new grant program for severely disturbed children and has not been retained as a requirement of the Community Mental Health Services Block Grant.

## TITLE II—OTHER PROGRAMS OF ALCOHOL, DRUG ABUSE AND MENTAL HEALTH ADMINISTRATION

### Subtitle A—Mental Health

#### *Section 201. Transfer of provision relating to service research on immunity-based treatment programs*

Section 201 represents a technical amendment to transfer from title 19 of the PHS to title 5 the authority to conduct health services research. Section 1923 of the PHS is the authority for the National Institute of Mental Health to conduct services research on community-based mental health treatment programs. The Committee believes that the authority for this activity is more properly located in title 5 where the statutory authority for the National Institute of Mental Health is located. In addition, the Committee amendment requires that in any fiscal year, not less than 15% of amounts appropriated for mental health research be allocated for conducting or supporting mental health services research.

#### *Section 202. Program for research on mental health*

Section 202 provides an authorization of appropriations for the research activities of the National Institute of Mental Health (NIMH). \$500 million, \$600 million and \$675 million is authorized for fiscal years 1992-1994 respectively. The Committee amendment also clarifies that the authority to administer Federal mental health research programs is vested with the Director of NIMH rather than the Administrator of the Alcohol, Drug Abuse and Mental Health Administration.

<sup>5</sup> Section 1916(c)(15)(A) of the Public Health Service Act.

### *Section 203. Demonstration projects*

Section 203 extends from 3 years to 5 years the maximum duration of support for demonstration grants administered by the National Institute of Mental Health.

### *Section 204. Establishment of office of rural mental health*

Section 204 establishes within the NIMH an Office of Rural Mental Health. The legislation requires that of amounts appropriated for mental health research, not less than \$5 million in fiscal year 1992, \$8 million in fiscal year 1993 and \$10 million in fiscal year 1994 be allocated to support the research, demonstration and evaluation activities of the Office of Rural Mental Health.

### *Section 205. Miscellaneous provisions*

Section 205 transfers a mental health demonstration program from title 24 (section 2441) of the PHSA to title 5 and clarifies that the responsibility for administering the program rests with the Director of the National Institute of Mental Health. In addition, the Committee amendment extends the authorization of appropriations for this activity for three fiscal years.

Subsection (b) nullifies 45 96.50(e) of the Code of Federal Regulations. These regulations were originally promulgated in 1982 to implement the Alcohol, Drug Abuse and Mental Health Block Grant. Under the regulation, the Department of Health and Human Services delegated to the States primary responsibility "for interpreting the governing statutory provisions." The regulations provided that "In resolving any issue raised by a complaint or a Federal audit the Department will defer to a State's interpretation of its assurances and of the provisions of the block grant statutes unless the interpretation is clearly erroneous."<sup>6</sup> The Committee is aware that this regulation represents a serious barrier to the effective implementation of the State Treatment Plans proposed in the President's National Drug Strategy. In response to questions from the Subcommittee, the Administration agreed that the regulation was in direct conflict with the President's proposal to make the award of Federal Alcohol, Drug Abuse and Mental Health Services block grant funds contingent on the development and implementation by States of statewide Substance Abuse Treatment Plans. The Administration confirmed that the regulation:

prohibits a Federal role in providing oversight of the States administration of the block grant. . . . In this sense the regulation is not in conformance with the (Office for National Drug Control Policy) strategies.<sup>7</sup>

In order to assure accountability for Federal block grant funds and to further the objectives of the National Drug Control Strategy, the Committee amendment nullifies this inappropriate delegation of administrative responsibility.

<sup>6</sup> 45 CFR 96.50(e).

<sup>7</sup> Hearing before the Subcommittee on Health and the Environment of the Committee on Energy and Commerce, 102nd Session, June 20, 1991, Serial No. 102-44, p. 200-201.



## Subtitle B—Substance Abuse

### PART 1—OFFICE FOR TREATMENT IMPROVEMENT

#### *Sec. 211. Establishment, general authorities, and certain programs*

Section 211 codifies the responsibilities and program authorities of the Alcohol, Drug Abuse and Mental Health Administration's Office for Treatment Improvement. These activities include a program of "Demonstration Projects of National Significance" authorized at appropriation levels of \$240 million in fiscal year 1992, \$300 million in fiscal year 1993 and \$400 million in fiscal year 1994. Substance abuse treatment demonstrations authorized by this section include (1) innovative programs for high risk populations, (2) programs to integrate the availability of treatment in primary health care settings, (3) treatment campuses, (4) expanding treatment availability in crisis cities, (5) outreach initiatives to those intravenous drug abusers at risk of AIDS, and (6) treatment projects providing vocational training in exchange for public service. The Committee amendment includes the transfer of the National Institute on Drug Abuse's AIDS/HIV Outreach Demonstration Program to the Office for Treatment Improvement.

The Committee amendment authorizes an expansion in the existing OTI demonstration program for treatment services in penal and correctional institutions. \$50 million is authorized in each of fiscal years 1992-1994. Since 1981, the incarceration rate in our nation has more than doubled. The United States now has the highest incarceration rate in the world—of every 100,000 Americans today, 426 are behind bars. According to the Bureau of Justice Statistics, of the 800,000 inmates currently in Federal and State prisons, and of the 9.7 million in jail, more than 70% were arrested on drug related charges and two-thirds are regular users of controlled substances. Unfortunately, substance abuse treatment is available to less than 10% of those inmates in need. Although the Committee does not believe assuring the availability of substance abuse treatment in State or Federal prisons is a primary responsibility of the U.S. Public Health Service (PHS), the PHS does have an important role to play in providing technical assistance and in supporting the development of innovative demonstration programs that can be replicated by state and federal prison authorities.

The Committee amendment also proposes establishment of a major Federal Substance Abuse Treatment Program in the National Capital Area. Funds to implement this project will be set-aside from general appropriations for the programs of the Alcohol, Drug Abuse and Mental Health Administration. A total of \$25 million will be reserved for this purpose over the period fiscal years 1992-1994.

#### *Section 212. Conforming amendments*

Section 212 codifies the Office for Treatment Improvement as an agency of the Alcohol, Drug Abuse and Mental Health Administration.

## PART II—OFFICE FOR SUBSTANCE ABUSE PREVENTION

*Section 221. General activities of office*

Section 221 streamlines the statutory authority of the Office for Substance Abuse Prevention (OSAP) by consolidating authorities for clinical training and community-based prevention programs with similar program authorities. These references in section 508 are redundant with other OSAP program authorities. In addition, the Committee amendment requires the Director of OSAP to establish a national data base of information on programs for the prevention of substance abuse. Funding for establishment of the data base will be made available from the 3 percent administrative set-aside available for data collection and technical assistance under the new Substance Abuse Prevention and Treatment Block Grant.

Finally, the Committee amendment codifies the existing Community Partnership substance abuse prevention program as an activity of the OSAP. The Committee recognizes the central role families play in developing adolescents' attitudes and behaviors towards drug and alcohol abuse and the use of tobacco. It is the intent of the Committee that the OSAP Director take steps to implement culturally appropriate prevention programs that focus upon the family. Funding for this activity is authorized at levels of \$114 million in fiscal year 1992, \$165 million in fiscal year 1993 and \$215 million in fiscal year 1994.

*Section 222. Prevention, treatment and rehabilitation model projects for high risk youth*

Section 222 extends for three fiscal years the authorization of appropriations for the OSAP's High Risk Youth demonstration program. Funding is authorized at levels of \$60 million, \$80 million and \$100 million in fiscal years 1992-1994 respectively. The Committee amendment revises the programmatic requirements for programs receiving High Risk Youth grants to require that all projects include strategies for reducing the use of tobacco products by individuals to whom it is unlawful to sell or distribute such beverages. The Committee is also concerned by the alarming rate of inhalant/solvent abuse among Hispanic youth and it is the Committee's intent that the Secretary support projects which replicate peer-oriented models for preventing inhalant abuse among such youth.

*Section 223. Striking of certain provisions; revisions in program for pregnant and postpartum women*

Section 223 revises the current authority for OSAP's grant program for pregnant and post partum women and their infants. The Committee amendment strengthens the availability of treatment services to limit new funding for programs providing residential treatment services. Under the Committee proposal, programs receiving Federal funds are encouraged to allow minor children of women seeking treatment to reside in the facility during the treatment period. Substance abusing women are more likely to seek treatment and complete treatment if their minor children are allowed to reside with them in the treatment facility. While the family unit should be maintained whenever possible, reasonable restrictions on the age and number of children who reside in the fa-

cility may be necessary and in the best interest of the women and their children. The Committee believes all applicants for funds under this authority should have a clear policy regarding any such restrictions and include the reasons they are necessary.

The Committee amendment authorizes funding for expanding residential treatment programs and related prevention, education and outpatient treatment activities at levels of \$100 million, \$150 million and \$200 million in fiscal years 1992-1994 respectively. In addition, the legislation authorizes the transfer of \$31 million from the special forfeiture fund of the Director of the Office of National Drug Control Policy to expand the availability of residential treatment services. The Committee amendment further requires that appropriations exceeding the amount appropriated in fiscal year 1991 for section 509F should be available only for residential treatment grants under 509F.

*Section 224. Training in provision of treatment services*

Section 224 consolidates existing substance abuse treatment training authorities under a single authorization of appropriations. In carrying out this authority the Committee is concerned that more be done to develop linguistically and culturally appropriate models of health training for substance abuse treatment professionals working with Hispanic and Asian American communities. The authorization of appropriations for the development of appropriate curricula and the training of treatment professions is \$26 million, \$28 million, and \$30 million in fiscal years 1992-1994 respectively.

*Section 225. Reduction of waiting period for drug abuse treatment*

Section 225 authorizes for three additional fiscal years the program of grants to assist treatment programs in reducing the waiting period for providing drug treatment services. Funding for this activity is authorized at a level of \$40 million in each of fiscal years 1992-1994.

PART III—OTHER PROVISIONS REGARDING SUBSTANCE ABUSE

*Section 231. Research on alcohol abuse and alcoholism*

Section 231 extends for three fiscal years the authorization of appropriations for research conducted by the National Institute on Alcohol Abuse and Alcoholism (NIAAA). Funding for NIAAA research is authorized at levels of \$160 million, \$260 million, \$360 million in fiscal years 1992-1994.

*Section 232. Research on drug abuse*

Section 232 revises and extends the authorization of appropriations for drug abuse research supported by the National Institute on Drug Abuse. Funding for drug abuse research is authorized at \$293 million, \$330 million and \$360 million in fiscal years 1992-1994 respectively.

*Section 233. Study by National Academy of Sciences*

Section 233 authorizes a study by the National Academy of Sciences on programs designed to reduce the risk of contacting the



HIV virus through intravenous drug use. Funding for the study will be provided by the National Institute on Drug Abuse.

*Section 234. Study of barriers to insurance coverage for treatment of substance abuse*

Section 234 requires the Secretary of Health and Human Services to conduct a study of the barriers to insurance coverage for the treatment of substance abuse.

*Section 235. Study on fetal alcohol effect and fetal alcohol syndrome*

Section 235 requires the Secretary of Health and Human Services to contract for a study on the prevalence of fetal alcohol effect and fetal alcohol syndrome in the general population of the United States.

#### PART IV—CHILDREN OF SUBSTANCE ABUSERS

*Section 241. Establishment of program of services*

Section 241 authorizes a new program of grants to provide services to children of substance abusers who are at risk of substance abuse. The program is authorized at funding levels of \$50 million in each of fiscal years 1992-1994. The program will be administered by the Administrator of the Health Resources and Services Administration. Services provided to eligible children include (1) periodic evaluation for developmental, psychological, and medical problems; (2) primary pediatric care; (3) mental health services; and (4) therapeutic intervention services.

In the establishment of this new program, the legislation does not, nor is it the Committee's intent that it affect, in any way, the services provided, beneficiaries eligible, or funds otherwise available through programs under the jurisdiction of the Committee on Education and Labor.

#### PART V—MISCELLANEOUS PROVISIONS

*Section 251. Grants for small instrumentation in research on mental health and substance abuse*

Section 251 extends for three fiscal years the authorization of appropriations for the Alcohol, Drug Abuse and Mental Health Services Administration's small instrumentation research grant program. Funding is authorized at levels of \$5 million in each of fiscal years 1992-1994.

#### TITLE III—TRAUMA CENTERS AND DRUG-RELATED VIOLENCE

*Section 301. Establishment of program of grants*

Section 301 authorizes funding for a new program of grants to help trauma care centers defray the uncompensated health care costs resulting from drug-related violence. Funding is authorized at levels of \$50 million, \$100 million and \$150 million in fiscal years 1992-1994 respectively.

Trauma centers are necessary partners in successfully waging the nation's war against illicit drugs. The increase in drug-related violence in recent years has led to the closure of trauma centers in

Chicago, Miami, Philadelphia, Houston and Los Angeles. It is essential that further closings be curtailed. Trauma centers contribute essential, lifesaving services to a community.

Like their MASH predecessors in the Korean and Vietnam Wars, trauma centers are on the front lines in the drug war. In recent years, trauma centers have experienced an increase in uncompensated medical costs because a growing number of patients injured by the drug war are unable to pay for care. As a result, many trauma centers have been placed in financial jeopardy. Many private hospitals have withdrawn from trauma center systems. Many public hospitals—particularly those accepting increasing numbers of trauma patients after the withdrawal of private hospitals—are approaching a stage of medical collapse.

While the President's recent National Drug Strategy did not address the important role trauma centers play in the drug war, it is a simple fact that drug-related violence is a major factor in the decline of trauma care nationwide.

The closing of trauma centers is a serious threat to any community. When a trauma center closes, its lifesaving services are denied to all patients. Victims include law enforcement officers wounded in the line of duty, innocent victims of random shootings as well as the thousands injured in automobile accidents every week.

The Committee is particularly concerned about the impact of drug-related violence on those trauma centers located in regions of the country with large populations of undocumented aliens. In determining the allocation of grants, the Committee expects the Secretary to give preference to eligible centers which can document that at least 15% of their unreimbursed costs for trauma care were a direct result of trauma care services provided to the undocumented alien population. The Secretary is also expected to give preference to eligible trauma centers within 20 miles of an international border, which are otherwise certain that they are incurring significant costs by providing trauma care services to the undocumented alien population. The Committee believes such preference is appropriate in light of the Federal government's responsibility for immigration policy.

### *Section 302. Conforming amendments*

#### TITLE IV—NATIONAL COMMISSION ON ALCOHOL AND TOBACCO USE BY CHILDREN

### *Section 401. Establishment and duties of commission*

Section 401 requires the Secretary of the Department of Health and Human Services to establish a National Commission on Alcohol and Tobacco Use by Children. The Commission is necessary because the use of alcohol and tobacco by underage youth present a serious and costly threat to the public health. Studies have shown that ninety percent of all new smokers begin while they are teenagers. Hundreds of American teenagers start smoking every day. Alcohol consumption is also a serious problem for our youth—nine out of ten high school seniors have reported using alcohol and binge drinking is a serious, life-threatening problem. In fact, the

economic cost resulting from the adverse health effects of tobacco and alcohol abuse exceeds the costs attributed to illicit drug abuse by a wide margin.<sup>8</sup>

The Committee intends that this new commission conduct public field hearings throughout the United States to compile information on successful approaches to discourage children from using tobacco and alcohol products. This approach is consistent with the recommendations of The National Commission on Children which found that because life-styles formed in childhood and adolescence can last a lifetime, early positive influences can have long-term beneficial effects on health.<sup>9</sup> By focusing national attention on this problem, it is the Committee's hope that a consensus will emerge on policy changes that will change unhealthy behavior among children.

### *Section 402. Duties*

The duties of the National Commission are to: (1) identify the factors that encourage the initial use of tobacco products and alcoholic beverages by children, and the factors that influence the duration and extent of such use; (2) assess the direct and indirect health consequences of such use by children; (3) examine the effect and adequacy of efforts by manufacturers of such products and beverages to discourage such use, including an assessment of any activities of the manufacturers that may appeal to children and may promote such use; (4) examine the adequacy and effect of Federal, State and local laws to prevent such use; and (5) develop recommendations on the policies that should be established by public and private entities in order to reduce such use.

The Secretary of Health and Human Services is responsible for making appointments to the Committee. The legislation gives the Secretary of Health and Human Services the authority to appoint ten of the commission's 19 members based on their education, training or experience. It is the intent of the Committee that the Secretary consider scientific or medical expertise in making such appointments.

## TITLE V—MISCELLANEOUS

### *Section 501. Physicians comparability allowance*

Section 501 authorizes payment of a physician comparability allowance for the position of Deputy Director for Demand Reduction within the Office of National Drug Control Policy.

<sup>8</sup> "Healthy People 2000 National Health Promotion and Disease Prevention Objectives," U.S. Public Health Service, DHHS Publication No 91-50212.

<sup>9</sup> "Beyond Rhetoric a New American Agenda for Children and Families"; Final Report of the National Commission on Children, U.S. Government Printing Office, Washington, DC 1991.



## AGENCY VIEWS

SECRETARY OF HEALTH AND HUMAN SERVICES,  
*Washington, DC, November 8, 1991.*

Hon. JOHN D. DINGELL,  
*Chairman, Committee on Energy and Commerce, House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: We wish to offer our views on H.R. 3698, the community Mental Health and Substance Abuse Services Improvement Act of 1991, as ordered reported by the Health Subcommittee on November 6.

H.R. 3698 would reauthorize current alcohol, drug abuse, and mental health research and services program, and would establish new authorities for substance abuse and mental health services.

We have reservations about H.R. 3698 in its current form. Although there are some portions of the bill which are consistent with the President's National Drug Control Strategy, there are other portions which appear to be inconsistent with our goal of improving the quality and expanding the supply of drug treatment services. For example, the Administration would prefer to direct treatment resources according to the need for treatment (as identified by statewide Treatment Plans), and hold States accountable for meeting these needs, as opposed to creating new stand-alone categorical grants.

We have strong reservations about the establishment of permanent service programs, including a new program of grants for comprehensive community mental health services for children with serious emotional disturbances and a program for residential treatment of pregnant and postpartum women. The latter program, for instance, is currently underway as demonstration projects. The Federal role in this area should be to support programs which discover and develop effective service models for replication by States and local communities and the private sector. We are also concerned about the earmarking of funds for the creation of a model treatment demonstration program for the National Capital Area.

Another area of concern is the level of appropriation authorizations provided for mental health research which is lower than the level in the President's Budget request. In addition, the bill would reauthorize appropriations for the Protection and Advocacy of the Mentally Ill program. The President's Budget does not request any funding for this program because it has achieved the original purpose of demonstrating the best means for States to protect the rights of the institutionalized mentally ill.

We support the provisions in H.R. 3698 consistent with the Administration's proposals that would establish a substance abuse treatment capacity expansion program (CEP), and that would require statewide assessment of substance abuse treatment and prevention needs. Unlike the provisions in H.R. 3698, however, we believe that CEP funds should be focused solely on *drug* abuse treatment services. We would also note that the Administration has proposed reorganizing the Alcohol, Drug Abuse, and Mental Health Administration; H.R. 3698 is not consistent with this goal, which is strongly supported.

We urge the Committee to consider the concerns we have raised. We hope to achieve the mutual goal of fostering mental health and substance abuse services and research that best address the needs of our citizens.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

LOUIS W. SULLIVAN, M.D.

## CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

### PUBLIC HEALTH SERVICE ACT

\* \* \* \* \*

## TITLE III—GENERAL POWERS AND DUTIES OF PUBLIC HEALTH SERVICE

### PART A—RESEARCH AND INVESTIGATION

\* \* \* \* \*

### PART M—SERVICES FOR CHILDREN OF SUBSTANCE ABUSERS

#### SEC. 399D. GRANTS FOR SERVICES FOR CHILDREN OF SUBSTANCE ABUSERS.

(a) *ESTABLISHMENT.*—*The Secretary, acting through the Administrator of the Health Resources and Services Administration, shall make grants to public and nonprofit private entities for the purpose of carrying out programs to provide the services described in subsection (b) to children of substance abusers and to provide the applicable services described in subsection (c) to families in which a member is a substance abuser.*

(b) *SERVICES FOR CHILDREN OF SUBSTANCE ABUSERS.*—*The Secretary may make a grant under subsection (a) only if the applicant involved agrees to make available (directly or through agreements with other entities) to children of substance abusers each of the following services:*

(1) *Periodic evaluation of children for developmental, psychological, and medical problems.*

(2) *Primary pediatric care, consistent with early and periodic screening, diagnostic, and treatment services described in section 1905(r) of the Social Security Act.*

(3) *Other necessary and mental health services.*

(4) *Therapeutic intervention services for children, including provision of therapeutic child care.*

(5) *Preventive counseling services.*

(6) *Counseling related to the witnessing of chronic violence.*

(7) Referral to related services, and assistance in establishing eligibility for related services.

(8) Additional developmental services that are consistent with the provision of early intervention services, as such term is defined in part H of the Individuals with Disabilities Education Act.

(c) *SERVICES FOR AFFECTED FAMILIES.*—The Secretary may make a grant under subsection (a) only if, in the case of families in which a member is a substance abuser, the applicant involved agrees to make available (directly or through agreements with other entities) each of the following services, as applicable to the family member involved:

(1)(A) Services to—

(i) Accomplish early identification of families where substance abuse is present.

(ii) Accomplish early identification of children affected by parental substance abuse.

(iii) Provide counseling to substance abusers on the benefits and availability of substance abuse treatment services and services for children of substance abusers.

(iv) Assist substance abusers in obtaining and using substance abuse treatment services and services for children of substance abusers.

(v) Visit and provide support to substance abusers, especially pregnant women, who are receiving substance abuse treatment services or services for children of substance abusers.

(B) The Secretary may make a grant under subsection (a) only if the applicant involved agrees that services under subparagraph (A) will, the program carried out under subsection (a), be provided by a public health nurse, social worker, or similar professional, or by a trained worker from the community supervised by a professional.

(2) In the case of substance abusers:

(A) Encouragement and, where necessary, referrals to participate in appropriate substance abuse treatment.

(B) Assessment of adult roles other than parenting, including periodic evaluation of social status, economic status, educational level, psychological condition, and skill level.

(C) Primary health care and mental health services, including prenatal and post partum care for pregnant women.

(D) Consultation and referral regarding subsequent pregnancies and life options, including education and career planning.

(E) Where appropriate, counseling regarding family conflict and violence.

(F) Remedial education services.

(G) Referral to related services, and assistance in establishing eligibility for related services.

(3) In the case of substance abusers, spouses of substance abusers, extended family members of substance abusers, caretakers of children of substance abusers, and other people signifi-



cantly involved in the lives of substance abusers or the children of substance abusers:

(A) An assessment of the strengths and service needs of the family and the assignment of a case manager who will coordinate services for the family.

(B) Therapeutic intervention services, such as parental counseling, joint counseling sessions for families and children, and family therapy.

(C) Child care or other care for the child to enable the parent to attend treatment or other activities and respite care services.

(D) Parenting education services and parent support groups.

(E) Support services, including, where appropriate, transportation services.

(F) Where appropriate, referral of other family members to related services such as job training.

(G) Aftercare services, including continued support through parent groups and home visits.

(d) **CONSIDERATIONS IN MAKING GRANTS.—**

(1) **IN GENERAL.**—In making grants under subsection (a), the Secretary shall ensure that the grants are reasonably distributed among the following types of entities:

(A) Alcohol and drug treatment programs, especially those providing treatment to pregnant women and mothers and their children.

(B) Public or private nonprofit entities that provide health or social services to disadvantaged populations, including community-based organizations, local public health departments, community action agencies, hospitals, community health centers, child welfare agencies, developmental disabilities service providers, and family resource and support programs, and that have—

(i) expertise in applying the services to the particular problems of substance abusers and the children of substance abusers; and

(ii) an affiliation or contractual relationship with one or more substance abuse treatment programs.

(C) Consortia of public or private nonprofit entities that include at least one substance abuse treatment program.

(D) Indian tribes, Indian organizations, and Alaska Native villages.

(2) **ADDITIONAL CONSIDERATIONS.**—In making grants under subsection (a), the Secretary shall ensure that the grants are—

(A) distributed to an adequate number of eligible entities that—

(i) provide residential treatment to substance abusers and provide appropriate therapeutic services to meet the needs of children of substance abusers while they reside with their parents during treatment;

(ii) provide in-home and community-based services on an out-patient basis or in a primary pediatric care setting; or

(iii) provide residential care for the parent with the child participating in the provision of such care while residing with a caretaker, and provide outreach, supportive, and therapeutic services for the child and the caretaker;

(B) distributed to give priority to areas with a high incidence of poverty and a high incidence of children of substance abusers, infant mortality, infant morbidity, or child abuse;

(C) distributed to ensure that entities serving Native American and Native Hawaiian communities are represented among the grantees; and

(D) equitably distributed between urban and rural States and among all geographic regions of the country.

(e) **FEDERAL SHARE.**—The Federal share of a program carried out under subsection (a) shall be 90 percent. The Secretary shall accept the value of in-kind contributions made by the grant recipient as a part or all of the non-Federal share of grants.

(f) **EVALUATION.**—The Secretary shall periodically conduct evaluations to determine the effectiveness of programs supported under subsection (a)—

(1) in reducing the incidence of alcohol and drug abuse among substance abusers participating in the programs;

(2) in preventing adverse health conditions in children of substance abusers;

(3) in promoting better utilization of health and developmental services and improving the health, developmental, and psychological status of children receiving services under the program;

(4) in improving parental and family functioning;

(5) in reducing the incidence of out-of-home placement for children whose parents receive services under the program; and

(6) in facilitating the reunification of families after children have been placed in out-of-home care.

(g) **REPORT.**—The Secretary shall annually prepare and submit to the the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report that contains a description of programs carried out under this section. At a minimum, the report shall contain—

(1) information concerning the number and type of programs receiving grants;

(2) information concerning the type and use of services offered;

(3) information concerning—

(A) the number and characteristics of families, parents, and children served;

(B) the number of children served who remained with their parents during or after the period in which entities provided services under this section;

(C) the number of children served who were placed in out-of-home care during the period in which entities provided services under this section;

(D) the number of children described in subparagraph (C) who were reunited with their families; and

(E) the number of children described in subparagraph (D) who were permanently placed in out-of-home care; analyzed by the type of eligible entity described in subsection (e) that provided services;

(4) an analysis of the access provided to, and use of, related services and alcohol and drug treatment through programs carried out under this section; and

(5) a comparison of the costs of providing services through each of the types of eligible entities described in subsection (e).

(h) **DATA COLLECTION.**—The Secretary shall periodically collect and report on information concerning the numbers of children in substance abusing families, including information on the age, gender and ethnicity of the children and the composition and income of the family.

(i) **REQUIREMENT OF APPLICATION.**—The Secretary may not make any grant under this section unless an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

(j) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out this section, there is authorized to be appropriated \$50,000,000 for each of the fiscal years 1992 through 1994.

\* \* \* \* \*

## TITLE V—ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH PROGRAMS

### PART A—ADMINISTRATION AND INSTITUTES

#### ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

##### SEC. 501. (a) \* \* \*

(b) The following entities are agencies of the Alcohol, Drug Abuse, and Mental Health Administration:

(1) \* \* \*

\* \* \* \* \*

(5) *The Office for Treatment Improvement.*

\* \* \* \* \*

(m)(1) \* \* \*

\* \* \* \* \*

(5) For the purpose of carrying out this subsection, there is authorized to be appropriated \$5,000,000 for each of the fiscal years 1989 through [1991] 1994.

\* \* \* \* \*

#### OFFICE FOR SUBSTANCE ABUSE PREVENTION

SEC. 508. (a) There is established in the Administration an Office for Substance Abuse Prevention [(hereafter in this part referred to as the "Office").] (hereafter referred to in this part as the "Prevention Office"). The Office shall be headed by a Director appointed by



the Secretary from individuals with extensive experience or academic qualifications in the prevention of drug or alcohol abuse.

(b) The Director of the *Prevention Office* shall—

(1) \* \* \*

\* \* \* \* \*

[(5) support clinical training programs for substance abuse counselors and other health professionals involved in drug abuse education, prevention, and intervention;

[(6)] (5) in cooperation with the Director of the Centers for Disease Control, develop educational materials to reduce the risks of acquired immune deficiency syndrome among intravenous drug abusers;

[(7)] (6) conduct training, technical assistance, data collection, and evaluation activities of programs supported under the Drug Free Schools and Communities Act of 1986;

[(8)] (7) support the development of model, innovative, community-based programs to discourage alcohol and drug abuse among young people;

[(9)] (8) prepare for distribution documentary films and public service announcements for television and radio to educate the public concerning the dangers to health resulting from the consumption of alcohol and drugs and, to the extent feasible, use appropriate private organizations and business concerns in the preparation of such announcements; and

[(10)(A) provide assistance to communities to develop comprehensive long-term strategies for the prevention of substance abuse;

[(B) evaluate the success of different community approaches towards the prevention of substance abuse;

[(11) through schools of health professions, schools of allied health professions, schools of nursing, and schools of social work, carry out programs—

[(A) to train individuals in the diagnosis and treatment of alcohol and drug abuse; and

[(B) to develop appropriate curricula and materials for the training described in subparagraph (A); and]

[(12)] (9) develop and support innovative demonstration programs designed to identify and deter the improper use or abuse of anabolic steroids by students, especially students in secondary schools.

\* \* \* \* \*

[(d)(1) For the purpose of carrying out this section and sections 509, 509A, and 509F, there are authorized to be appropriated \$95,000,000 for fiscal year 1989 and such sums as may be necessary for each of the fiscal years 1990 and 1991.

[(2) Of the amounts appropriated pursuant to paragraph (1) for a year, the Secretary shall make available not less than \$5,000,000 to carry out paragraphs (5) and (11) of subsection (b).]

(d) *The Director of the Prevention Office shall establish a national data base providing information on programs for the prevention of substance abuse. The data base shall contain information appro-*

appropriate for use by public entities and information appropriate for use by private entities.

#### COMMUNITY PROGRAMS

SEC. 508A. (a) *The Secretary, acting through the Director of the Prevention Office, shall—*

(1) *provide assistance to communities to develop comprehensive long-term strategies for the prevention of substance abuse; and*

(2) *evaluate the success of different community approaches toward the prevention of such abuse.*

(b) *The Director of the Prevention Office shall ensure that strategies developed under subsection (a)(1) include strategies for reducing the use of alcoholic beverages and tobacco products by individuals to whom it is unlawful to sell or distribute such beverages or products.*

(c) *For the purpose of carrying out subsection (c), there are authorized to be appropriated \$114,000,000 for fiscal year 1992, \$165,000,000 for fiscal year 1993, and \$215,000,000 for fiscal year 1994.*

#### ALCOHOL AND DRUG ABUSE INFORMATION CLEARINGHOUSE

SEC. 509. The Secretary, through the Director of the Prevention Office, shall establish a clearinghouse for alcohol and drug abuse information to assure the widespread dissemination of such information to States, political subdivisions, educational agencies and institutions, health and drug treatment and rehabilitation networks, and the general public. The clearinghouse shall—

(1) \* \* \*

\* \* \* \* \*

#### PREVENTION, TREATMENT, AND REHABILITATION MODEL PROJECTS FOR HIGH RISK YOUTH

SEC. 509A. (a) The Secretary, through the Director of the Prevention Office, shall make grants to public and nonprofit private entities for projects to demonstrate effective models for the prevention, treatment, and rehabilitation of drug abuse and alcohol abuse among high risk youth.

\* \* \* \* \*

(c) *The Secretary shall ensure that projects under subsection (a) include projects to develop strategies for reducing the use of alcoholic beverages and tobacco products by individuals to whom it is unlawful to sell or distribute such beverages or products.*

[(c)] (d) To the extent feasible, the Secretary shall make grants under this section in all regions of the United States, and shall ensure the distribution of grants under this section among urban and rural areas.

[(d)] (e) In order to receive a grant for a project under this section for a fiscal year, a public or nonprofit private entity shall submit an application to the Secretary, acting through the Office. The Secretary may provide to the Governor of the State the opportunity to review and comment on such application. Such applica-

tion shall be in such form, shall contain such information, and shall be submitted at such time as the Secretary may by regulation prescribe.

[(e)] (f) The Director of the Office shall evaluate projects conducted with grants under this section.

[(f)] (g) For purposes of this section, the term "high risk youth" means an individual who has not attained the age of 21 years, who is at high risk of becoming, or who has become, a drug abuser or an alcohol abuser, and who—

- (1) is identified as a child of a substance abuser;
- (2) is a victim of physical, sexual, or psychological abuse;
- (3) has dropped out of school;
- (4) has become pregnant;
- (5) is economically disadvantaged;
- (6) has committed a violent or delinquent act;
- (7) has experienced mental health problems;
- (8) has attempted suicide;
- (9) has experienced long-term physical pain due to injury; or
- (10) has experienced chronic failure in school.

(h) *For the purpose of carrying out this section, there are authorized to be appropriated \$60,000,000 for fiscal year 1992, \$80,000,000 for fiscal year 1993, and \$100,000,000 for fiscal year 1994.*

\* \* \* \* \*

#### REDUCTION OF WAITING PERIOD FOR DRUG ABUSE TREATMENT

SEC. 509E. (a) \* \* \*

\* \* \* \* \*

[(g)](1) In addition to amounts otherwise appropriated to carry out this section prior to fiscal year 1991, there are authorized to be appropriated an additional \$40,000,000 to carry out this section.

[(2) Amounts made available pursuant to paragraph (1) shall remain available until expended.

[(3) No grant may be made under this section after the aggregate amounts obligated by the Secretary pursuant to this section are equal to \$140,000,000.]

(g) *For the purpose of carrying out this section, there are authorized to be appropriated \$40,000,000 for each of the fiscal years 1992 through 1994.*

#### [MODEL PROJECTS FOR PREGNANT AND POST PARTUM WOMEN AND THEIR INFANTS

[SEC. 509F. (a) The Secretary, acting through the Director of the Office, shall make grants to establish projects for prevention, education, and treatment regarding drug and alcohol abuse relating to pregnant and post partum women and their infants.

[(b) In making grants under subsection (a), the Director of the Office shall give priority to projects—

[(1) for low-income women and their infants; and

[(2) designed to develop innovative approaches to prevention, education, and treatment regarding the use of the drugs with respect to which there exists insufficient information (including cocaine and the cocaine derivative known as crack).



[(c) In making grants under subsection (a) for projects that provide treatment, the Director of the Office shall ensure that grants are reasonably distributed among projects that provide inpatient, outpatient, and residential treatment.

[(d) The Director of the Office may not make a grant under subsection (a) unless—

[(1) an application for the grant is submitted to the Secretary;

[(2) with respect to carrying out the purpose for which the grant is to be made, the application provides assurances of compliance satisfactory to the Secretary; and

[(3) the application otherwise is in such form, is made in such manner, and contains such agreements, assurances, and information as the Director of the Office determines to be necessary to carry out this section.

[(e) The Director of the Office shall evaluate projects conducted with grants under this section.

#### **[DRUG ABUSE DEMONSTRATION PROJECTS OF NATIONAL SIGNIFICANCE**

[SEC. 509G. (a)(1) The Secretary, acting through the Administrator, may make grants to public and private entities for demonstration projects—

[(A) to determine the feasibility and long-term efficacy of programs providing drug abuse treatment and vocational training in exchange for public service;

[(B) to conduct outreach activities to intravenous drug abusers with respect to the prevention of exposure to, and the transmission of, the etiologic agent for acquired immune deficiency syndrome and to encourage intravenous drug abusers to seek treatment for such abuse; and

[(C) to provide drug abuse treatment services to pregnant women, post partum women, and their infants.

[(2) The Secretary shall, directly or through contracts with public and private entities, provide for evaluations of projects carried out pursuant to paragraph (1) and for the dissemination of information developed as a result of such models.

[(b)(1) The Secretary shall establish demonstration projects that provide grants to States for the purpose of enabling such States to provide effective treatment, and referrals for treatment, to individuals who abuse drugs.

[(2) The Secretary shall award grants under paragraph (1) to projects that operate in areas—

[(A) in which a demand for drug treatment services exists, or a need for such services exists which exceeds the capacity of organizations operating in that area to provide such services;

[(B) that have a high prevalence of drug abuse;

[(C) that have a high incidence of drug related criminal activities; and

[(D) that meet any other requirements that the Secretary determines are appropriate.

[(3) In awarding grants under paragraph (1), the Secretary shall—

[(A) select projects that focus on at least one of the following areas of treatment:

- [(i) treatment of adolescents;
- [(ii) treatment of minorities;
- [(iii) treatment of pregnant women;
- [(iv) treatment of female addicts and their children;
- [(v) treatment of the residents of public housing projects; and

[(B) select at least one project that includes a centralized local referral unit that shall provide—

[(i) an initial analysis of the nature of the individual's problem and refer such individual to appropriate existing drug treatment programs; and

[(ii) assistance to school teachers and other individuals who come into contact with drug abusers when attempting to refer such abusers to appropriate drug treatment programs.

[(4) A State that desires to participate in a project established under paragraph (1) shall submit a written application to the Secretary in such form and containing such information as the Secretary may request.

[(5) In awarding grants under paragraph (1), the Secretary shall give preference to projects that demonstrate a comprehensive approach to the problems associated with drug abuse and provide evidence of broad community involvement and support, including the support of private businesses, law enforcement authorities, health care providers, local school systems, and local governments in the proposed demonstration project.

[(6) Projects funded under paragraph (1) shall be for a period of at least three years but in no event to exceed five years.

[(7) The Secretary shall require, as a condition of awarding grants under paragraph (1), a systematic evaluation of the projects funded under such paragraph on a long term basis to record the impact of such projects on treated individuals, and on the community as a whole. The methodology used in the evaluation shall be published in the Federal Register for comment before becoming effective.

[(c)(1) There are authorized to be appropriated to carry out this section \$34,000,000 for fiscal year 1989, and such sums as may be necessary for each of the fiscal years 1990 through 1991.

[(2) Of the amounts appropriated pursuant to paragraph (1) for a fiscal year, \$10,000,000 shall be made available for carrying out subsection (a).]

#### RESIDENTIAL TREATMENT PROGRAMS FOR PREGNANT AND POSTPARTUM WOMEN

*SEC. 509F. (a) IN GENERAL.—The Director of the Prevention Office shall make grants to public and nonprofit private entities for the purpose of providing to pregnant and postpartum women treatment for substance abuse through programs in which, during the course of receiving treatment—*

*(1) the women, and any minor children of the women, reside in facilities provided by the programs;*

(2) the programs provide ongoing supervision of the women; and

(3) the services described in subsection (d) are available to or on behalf of the women.

(b) **AVAILABILITY OF SERVICES FOR EACH PARTICIPANT.**—A funding agreement under subsection (a) for an applicant is that, in the program operated pursuant to such subsection—

(1) treatment services and each supplemental service will be available through the applicant, either directly or through agreements with other public or nonprofit private entities; and

(2) the services will be made available to each woman admitted to the program.

(c) **INDIVIDUALIZED PLAN OF SERVICES.**—A funding agreement under subsection (a) for an applicant is that—

(1) in providing authorized services for an eligible woman pursuant to such subsection, the applicant will, in consultation with the women, prepare an individualized plan for the provision to the woman of the services; and

(2) treatment services under the plan will include—

(A) individual, group, and family counseling regarding substance abuse; and

(B) follow-up services to assist the woman in preventing a relapse into such abuse.

(d) **REQUIRED SUPPLEMENTAL SERVICES.**—In the case of an eligible woman, the services referred to in subsection (a)(3) are as follows:

(1) Prenatal and postpartum health care.

(2) Referrals for necessary hospital services.

(3) For the infants and children of the woman—

(A) pediatric health care, including treatment for any perinatal effects of maternal substance abuse and including screenings regarding the physical and mental development of the infants and children;

(B) counseling and other mental health services, in the case of children; and

(C) comprehensive social services.

(4) Providing supervision of children during periods in which the woman is engaged in therapy or in other necessary health or rehabilitative activities.

(5) Training in parenting.

(6) Counseling on acquired immune deficiency syndrome.

(7) Counseling on domestic violence and sexual abuse.

(8) Counseling on obtaining employment, including the importance of graduating from a secondary school.

(9) Reasonable efforts to preserve and support the family units of the women, including promoting the appropriate involvement of parents and others, and counseling the children of the women.

(10) Planning for and counseling to assist reentry into society, both before and after discharge, including referrals to any public or nonprofit private entities in the community involved that provide services appropriate for the women and the children of the women.

(11) Case management services, including—



(A) assessing the extent to which authorized services are appropriate for the women and their children;

(B) in the case of the services that are appropriate, ensuring that the services are provided in a coordinated manner; and

(C) assistance in establishing eligibility for assistance under Federal, State, and local programs providing health services, mental health services, housing services, employment services, educational services, or social services.

(e) **MINIMUM QUALIFICATIONS OF GRANTEEES.**—

(1) **CERTIFICATION BY RELEVANT STATE AGENCY.**—With respect to the principal agency of the State involved that administers programs relating to substance abuse, the Director may make a grant under subsection (a) to an applicant only if the agency has certified to the Director that—

(A) the applicant has the capacity to carry out a program described in subsection (a);

(B) the plans of the applicant for such a program are consistent with the policies of such agency regarding the treatment of substance abuse; and

(C) the applicant, or any entity through which the applicant will provide authorized services, meets all applicable State licensure or certification requirements regarding the provision of the services involved.

(2) **STATUS AS MEDICAID PROVIDER.**—

(A) Subject to subparagraphs (B) and (C), the Director may make a grant under subsection (a) only if, in the case of any authorized service that is available pursuant to the State plan approved under title XIX of the Social Security Act for the State involved—

(i) the applicant for the grant will provide the service directly, and the applicant has entered into a participation agreement under the State plan and is qualified to receive payments under such plan; or

(ii) the applicant will enter into an agreement with a public or nonprofit private entity under which the entity will provide the service, and the entity has entered into such a participation agreement plan and is qualified to receive such payments.

(B)(i) In the case of an entity making an agreement pursuant to subparagraph (A)(ii) regarding the provision of services, the requirement established in such subparagraph regarding a participation agreement shall be waived by the Director if the entity does not, in providing health care services, impose a charge or accept reimbursement available from any third-party payor, including reimbursement under any insurance policy or under any Federal or State health benefits plan.

(ii) A determination by the Director of whether an entity referred to in clause (i) meets the criteria for a waiver under such clause shall be made without regard to whether the entity accepts voluntary donations regarding the provision of services to the public.

(C) With respect to any authorized service that is available pursuant to the State plan described in subparagraph (A), the requirements established in such subparagraph shall not apply to the provision of any such service by an institution for mental diseases to an individual who has attained 21 years of age and who has not attained 65 years of age. For purposes of the preceding sentence, the term "institution for mental diseases" has the meaning given such term in section 1905(i) of the Social Security Act.

(f) **REQUIREMENT OF MATCHING FUNDS.**—

(1) **IN GENERAL.**—With respect to the costs of the program to be carried out by an applicant pursuant to subsection (a), a funding agreement under such subsection is that the applicant will make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount that is not less than—

(A) \$1 for each \$9 of Federal funds provided for the first year of payments under the grant; and

(B) \$1 for each \$3 of Federal funds provided in any subsequent year of payments under any such grant.

(2) **DETERMINATION OF AMOUNT CONTRIBUTED.**—Non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

(g) **OUTREACH.**—A funding agreement under subsection (a) for an applicant is that the applicant will provide outreach services in the community involved to identify women who are engaging in substance abuse and to encourage the women to undergo treatment for such abuse.

(h) **ACCESSIBILITY OF PROGRAM; CULTURAL CONTEXT OF SERVICES.**—A funding agreement under subsection (a) for an applicant is that—

(1) the program operated pursuant to such subsection will be operated at a location that is accessible to low-income pregnant and postpartum women; and

(2) authorized services will be provided in the language and the cultural context that is most appropriate.

(i) **CONTINUING EDUCATION.**—A funding agreement under subsection (a) is that the applicant involved will provide for continuing education in treatment services for the individuals who will provide treatment in the program to be operated by the applicant pursuant to such subsection.

(j) **IMPOSITION OF CHARGES.**—A funding agreement under subsection (a) for an applicant is that, if a charge is imposed for the provision of authorized services to on behalf of an eligible woman, such charge—

(1) will be made according to a schedule of charges that is made available to the public;

(2) will be adjusted to reflect the income of the woman involved; and

(3) will not be imposed on any such woman with an income of less than 185 percent of the official poverty line, as established by the Director of the Office for Management and Budget and revised by the Secretary in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981.

(k) **REPORTS TO DIRECTOR.**—A funding agreement under subsection (a) is that the applicant involved will submit to the Director a report—

(1) describing the utilization and costs of services provided under the grant;

(2) specifying the number of women served, the number of infants served, and the type and costs of services provided; and

(3) providing such other information as the Director determines to be appropriate.

(l) **REQUIREMENT OF APPLICATION.**—The Director may make a grant under subsection (a) only if the applicant involved makes each of the agreements described in this section. Such a grant may be made only if an application for the grant is submitted to the Director containing such agreements, and the application is in such form, is made in such manner, and contains such other agreements and such assurances and information as the Director determines to be necessary to carry out this section.

(m) **EQUITABLE ALLOCATION OF GRANTS.**—In making grants under subsection (a), the Director shall ensure that the grants are equitably allocated among the principal geographic regions of the United States, subject to the availability of qualified applicants for the grants.

(n) **DURATION OF GRANT.**—The period during which payments are made to an entity from a grant under subsection (a) may not exceed 5 years. The provision of such payments shall be subject to annual approval by the Director of the payments and subject to the availability of appropriations for the fiscal year involved to make the payments. This subsection may not be construed to establish a limitation on the number of grants under such subsection that may be made to an entity.

(o) **EVALUATIONS; DISSEMINATION OF FINDINGS.**—The Director shall, directly or through contract, provide for the conduct of evaluations of programs carried out pursuant to subsection (a). The Director shall disseminate to the States the findings made as a result of the evaluations.

(p) **REPORTS TO CONGRESS.**—Not later than October 1, 1993 and every 2 years thereafter, the Director shall submit to the Congress a report describing programs carried out pursuant to this section. Each such report shall include any evaluations conducted under subsection (m) during the preceding fiscal year.

(q) **DEFINITIONS.**—For purposes of this section:

(1) The term “authorized services” means treatment services and supplemental services.

(2) The term “eligible woman” means a woman who has been admitted to a program operated pursuant to subsection (a).

(3) The term “funding agreement under subsection (a)” means an agreement required in subsection (l) as a condition of receiving a grant under subsection (a).



(4) The term "treatment services" means treatment for substance abuse, including the counseling and services described in subsection (c)(2).

(5) The term "supplemental services" means the services described in subsection (d).

(r) AUTHORIZATION OF APPROPRIATIONS.—

(1) *IN GENERAL.*—For the purpose of carrying out this section and section 509G, there are authorized to be appropriated \$100,000,000 for fiscal year 1992, \$150,000,000 for fiscal year 1993, and \$200,000,000 for fiscal year 1994.

(2) *TRANSFER.*—In addition to the amounts authorized in paragraph (1) to be appropriated for the fiscal year involved, there is authorized to be appropriated for the fiscal year for the purpose described in such paragraph \$31,000,000 from the special forfeiture fund of the Director of the Office of National Drug Control Policy.

(3) *RULE OF CONSTRUCTION.*—The amounts authorized in this subsection to be appropriated are in addition to any other amounts that are authorized to be appropriated and are available for the purpose described in paragraph (1).

PREVENTION PROGRAMS FOR PREGNANT AND POSTPARTUM WOMEN

SEC. 509G. (a) The Secretary, acting through the Director of the Prevention Office, shall make grants to establish projects for prevention and education activities, and outpatient treatment, regarding the effects of drug and alcohol abuse on pregnant and postpartum women and their infants.

(b) The Secretary shall evaluate projects carried out under subsection (a) and shall disseminate to appropriate public and private entities information on effective projects.

TRAINING IN PROVISION OF TREATMENT SERVICES FOR SUBSTANCE ABUSE

SEC. 509H. (a) *IN GENERAL.*—The Director of the Prevention Office shall develop programs to increase the number of full-time substance abuse treatment professionals and the number of health professionals providing treatment services through the awarding of grants to appropriate public and nonprofit private entities, including agencies of State and local governments, hospitals, schools of medicine, schools of osteopathic medicine, schools of nursing, schools of social work, and graduate programs in marriage and family therapy.

(b) *PRIORITY.*—In awarding grants under subsection (a), the Director of the Prevention Office shall give priority to projects that train full-time substance abuse treatment professionals and projects that will receive financial support from public entities for carrying out the projects.

(c) *HEALTH PROFESSIONS EDUCATION.*—In awarding grants under subsection (a), the Secretary may make grants to health professions schools (including schools of nursing and allied health professions schools) and schools of social work for programs—

(1) to train individuals in the diagnosis and treatment of substance abuse; and

(2) to develop appropriate curricula and materials for the training described in paragraph (1).

(d) *AUTHORIZATION OF APPROPRIATIONS.*—For the purpose of carrying out this section, there are authorized to be appropriated \$26,000,000 for fiscal year 1992, \$28,000,000 for fiscal year 1993, and \$30,000,000 for fiscal year 1994.

## PART B—RESEARCH

### Subpart 1—Alcohol Abuse and Alcoholism

\* \* \* \* \*

#### AUTHORIZATIONS OF APPROPRIATIONS

SEC. 513. (a) There are authorized to be appropriated to carry out this subpart (*other than section 512(c)*) \$69,000,000 for fiscal year 1987, [and] such sums as may be necessary for each of the fiscal years 1989 through 1991, \$160,000,000 for fiscal year 1992, \$260,000,000 for fiscal year 1993, and \$360,000,000 for fiscal year 1994.

\* \* \* \* \*

### Subpart 2—Drug Abuse Research

#### DRUG ABUSE RESEARCH

SEC. 515. (a) The Director of the National Institute on Drug Abuse shall encourage and promote (by grants, contracts, or otherwise) expanded research programs, investigations, experiments, and studies, into—

(1) \* \* \*

\* \* \* \* \*

(5) effective methods of drug abuse prevention, treatment, and rehabilitation, particularly methods of intervention to treat abuse of specific drugs; [and]

(6) the development of chemical antidotes and narcotic antagonists for use in the treatment of cocaine and heroin addiction [.] ;

(7) the development and demonstration of new and improved methods of screening and early detection, referral, and diagnosis of individuals with a risk of drug abuse; and

(8) the development and demonstration of new and improved methods for the dissemination of findings of research on drug abuse, and of information on the prevention and treatment of such abuse.

\* \* \* \* \*

(c) For the purpose of carrying out this section, there are authorized to be appropriated \$293,000,000 for fiscal year 1992, \$330,000,000 for fiscal year 1993, and \$360,000,000 for fiscal year 1994.

## 【DRUG ABUSE DEMONSTRATION PROJECTS

【SEC. 516. (a) The Secretary, through the National Institute on Drug Abuse, may make grants to and enter into contracts with individuals and public and nonprofit private entities to support projects—

【(1) for the development and demonstration of methods for—

【(A) the prevention of drug abuse and other problems relating to drug abuse, and

【(B) the treatment and rehabilitation of individuals suffering from drug abuse and other problems relating to the misuse of drugs; and

【(2)(A) which emphasize the development and demonstration of new and improved methods of screening and early detection, referral, and diagnosis of individuals with a risk of drug abuse,

【(B) which develop and evaluate new and improved techniques of prevention and treatment services for use in States and local communities, and

【(C) which emphasize the development and demonstration of new and improved methods for the dissemination of research findings and knowledge of effective strategies of early detection, prevention, and treatment of drug abuse.

【(b) In making grants under subsection (a), the Secretary shall give special consideration to projects for determining the effects of drug abuse among pregnant women and the resulting effects on the infants of such women, including the relationship between drug abuse during pregnancy and the birthweight of infants.

【(c) A grant or contract may be made under subsection (a) for a project which meets the requirements of subsection (a) and also deals with alcohol abuse and alcoholism.

【(d) No entity may receive grants under subsection (a) for more than three years.

## 【AUTHORIZATIONS OF APPROPRIATIONS

【SEC. 517. For the purpose of carrying out this subpart, there are authorized to be appropriated \$129,000,000 for fiscal year 1987, \$135,000,000 for fiscal year 1989, and such sums as may be necessary for each of the fiscal years 1990 and 1991.】

### Subpart 3—Mental Health Research

#### ESTABLISHMENT OF PROGRAM FOR MENTAL HEALTH RESEARCH

SEC. 518. (a) The Secretary, acting through 【the Administrator,】 *the Director of the National Institute of Mental Health (in this subpart referred to as the "Director")*, may make grants to, and enter into cooperative agreements and contracts with, public and nonprofit private entities for the conduct of, promotions of, coordination of, research, investigation, experiments, demonstrations, and studies relative to the cause, diagnosis, treatment, control, and prevention of mental illness, *and relative to the promotion of mental health. Activities under the preceding sentence may include studies of the psychological, social, and legal factors that influence behavior.*



[(c)] (b)(1) The [Administrator] Director shall develop and make available, from time to time, a model plan for a community-based system of care for seriously mentally ill individuals. Such plan shall be developed in consultation with State mental health directors, providers of mental health services, seriously mentally ill individuals, advocates for such individuals, and other interested parties.

(2) The [Administrator] Director, in cooperation with members of the insurance industry, other members of the business community, and the Director of the Office of Personnel Management, shall develop a model insurance plan for consideration for adoption by such Director and the Congress. In developing such a plan, the Secretary shall consider the costs and benefits of alternative designs.

(c) *For the purpose of carrying out this section, there are authorized to be appropriated \$500,000,000 for fiscal year 1992, \$600,000,000 for fiscal year 1993, and \$675,000,000 for fiscal year 1992.*

#### SERVICE RESEARCH ON COMMUNITY-BASED MENTAL HEALTH TREATMENT PROGRAMS

SEC. [1923.] 518A. (a)(1) The Secretary, acting through the Director of the National Institute of Mental Health, shall develop and maintain an ongoing program of research on community mental health programs and services. Such program shall include an evaluation of—

(A) the most effective methods of providing community-based prevention, treatment, and rehabilitation services for the mentally ill; and

(B) the quality, appropriateness, and costs of different methods of treatment utilized in such programs with respect to diagnoses of mental illness for which such programs provided treatment.

(2) Research and evaluations required in paragraph (1) may be carried out through grants, contracts, or cooperative agreements.

(b) The Director of the National Institute of Mental Health may, to the extent practicable, establish research centers to carry out the evaluations required in subsection (a)(1). Such research centers shall establish and maintain liaisons with community mental health systems that provide services to the mentally ill.

(c) *Of the amounts appropriated under this Act for any fiscal year for conducting or supporting research regarding mental health, the Secretary shall make available not less than 15 percent for carrying out this section.*

#### NATIONAL MENTAL HEALTH EDUCATION PROGRAM

SEC. 519. The Secretary, acting through the [Administrator] Director, shall establish a National Mental Health Education Program for the purpose of—

(1) \* \* \*

\* \* \* \* \*

## OFFICE OF RURAL MENTAL HEALTH

**SEC. 519A. (a) IN GENERAL.**—There is established within the National Institute of Mental Health an office to be known as the Office of Rural Mental Health (hereafter in this section referred to as the "Office"). The Office shall be headed by a director, who shall be appointed by the Director of such Institute from among individuals experienced or knowledgeable in the provision of mental health services in rural areas. The Secretary shall carry out the authorities established in this section acting through the Director of the Office.

**(b) COORDINATION OF ACTIVITIES.**—The Director of the Office, in consultation with the Director of the Institute and with the Director of the Office of Rural Health Policy, shall—

(1) coordinate the activities of the Department of Health and Human Services as such activities relate to the mental health of residents of rural areas; and

(2) coordinate the activities of the Office with similar activities of public and nonprofit private entities.

**(c) RESEARCH, DEMONSTRATIONS, EVALUATIONS, AND DISSEMINATION.**—The Director of the Office may, with respect to the mental health of adults and children residing in rural areas—

(1) conduct research on conditions that are unique to the residents of rural areas, or more serious or prevalent in such residents;

(2) conduct research on improving the delivery of services in such areas;

(3) carry out demonstration projects for the provision of services in such areas, including such projects regarding outreach, interventions, and the provision of off-site services;

(4) establish model programs, and carry out demonstrations of such models (at 1 or more sites);

(5) conduct evaluations of projects and programs carried out by the Director under this subsection; and

(6) disseminate information to appropriate public and nonprofit private entities.

**(d) AUTHORITY REGARDING GRANTS AND CONTRACTS.**—The Director of the Office may carry out the authorities established in subsection (c) directly and through grants, cooperative agreements, or contracts with public or nonprofit private entities.

**(e) DEMONSTRATIONS REGARDING LINKAGE OF MENTAL HEALTH AND OTHER SERVICES.**—In carrying out subsection (c), the Director of the Office shall make grants to public or nonprofit private entities for the purpose of carrying out, in rural areas, demonstration projects to improve the availability of mental health services by providing such services in the same facilities as other health or social services are provided, and through otherwise integrating the provision of mental health services, other health services, and social services.

**(f) REPORT TO CONGRESS.**—Not later than February 1 of fiscal year 1993 and each fiscal year thereafter, the Director of the Office shall submit to the Subcommittee on Health and the Environment of the Committee on Energy and Commerce (of the House of Representatives), and to the Committee on Labor and Human Resources (of the Senate), a report describing the activities of the Office during

the preceding fiscal year, including a summary of the activities of demonstration projects and a summary of evaluations of the projects.

(g) *FUNDING.*—Of the amounts appropriated under this Act for fiscal year 1992, fiscal year 1993, and fiscal year 1994 for research regarding mental health, the Secretary shall make available for carrying out this section not less than \$5,000,000, \$8,000,000, and \$10,000,000, respectively.

\* \* \* \* \*

#### *Subpart 4—Demonstration Projects*

### [ESTABLISHMENT OF GRANT PROGRAMS FOR DEMONSTRATION PROJECTS]

#### *CERTAIN PROJECTS*

SEC. 520. (a) \* \* \*

\* \* \* \* \*

(c) *LIMITATION ON DURATION OF GRANT.*—The Secretary may make a grant under subsection (a) or (b) for not more than three consecutive one-year periods, *except that grants under subsection (a) for demonstration projects described in paragraph (1)(A) of such subsection may be made for not more than five consecutive one-year periods.*

\* \* \* \* \*

### [SEC. 2441. DEMONSTRATION PROJECTS FOR INDIVIDUALS WITH POSITIVE TEST RESULTS.]

#### [(a) IN GENERAL.—]

#### *CERTAIN COUNSELING AND MENTAL HEALTH SERVICES*

SEC. 520A. (a) *IN GENERAL.*—The Secretary, acting through the Director of the National Institute of Mental Health, may make grants to public and nonprofit private entities for demonstration projects for the development, establishment, or expansion of programs to provide counseling and mental health treatment—

(1) \* \* \*

\* \* \* \* \*

(j) *AUTHORIZATION OF APPROPRIATIONS.*—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1989 through [1991] 1994.

\* \* \* \* \*

#### *Part F—Office for Treatment Improvement*

### *Subpart 1—Establishment and General Authorities*

#### SEC. 571. ESTABLISHMENT.

(a) *ESTABLISHMENT.*—There is established in the Administration an Office for Treatment Improvement, which shall be headed by a



director appointed by the Secretary. The Secretary shall carry out this part acting through the Director of the Treatment Office.

(b) **DUTIES.**—With respect to the treatment of substance abuse, the Director shall carry out the following duties:

(1) Collaborate with the Director of the Office for Substance Abuse Prevention in order to provide outreach services to identify individuals in need of treatment services, with emphasis on the provision of such services to pregnant and postpartum women and their infants and to individuals who abuse drugs intravenously.

(2) Collaborate with the Director of the National Institute on Drug Abuse, with the Director of the National Institute on Alcoholism and Alcohol Abuse, and with the States to promote the study, dissemination, and implementation of research findings that will improve the delivery and effectiveness of treatment services.

(3) Collaborate with the Administrator of the Health Resources and Services Administration to promote the increased integration into the mainstream of the health care system of the United States of programs for providing treatment services.

(4) Evaluate plans submitted by the States pursuant to section 1930(a)(6) in order to determine whether the plans adequately provide for the availability, allocation, and effectiveness of treatment services.

(5) Sponsor regional workshops on improving the quality and availability of treatment services.

(6) Provide technical assistance to public and nonprofit private entities that provide treatment services, including technical assistance with respect to the process of submitting to the Director applications for any program of grants or contracts carried out by the Director.

(7) Improve coordination between treatment facilities and nonhealth care systems such as employers, labor unions, and schools, and encourage the adoption of employee assistance programs and student assistance programs.

(8) Encourage the States to expand the availability (relative to fiscal year 1992) of programs providing treatment services through self-run, self-supported recovery based on the programs of housing operated pursuant to section 1924.

(9) Carry out activities to educate individuals on the need for establishing treatment facilities within their communities.

(10) Encourage public and private entities that provide health insurance to provide benefits for outpatient treatment services and other nonhospital-based treatment services.

(11) Evaluate treatment programs to determine the quality and appropriateness of various forms of treatment, including the effect of living in housing provided by programs established under section 1924. Such evaluations shall be carried out through grants, contracts, or cooperative agreements provided to public or nonprofit private entities. In carrying out this paragraph, the Director shall assess the quality, appropriateness, and costs of various treatment forms for specific patient groups.

(c) **GRANTS AND CONTRACTS REGARDING GENERAL DUTIES.**—In carrying out the duties established in subsection (b), the Director

may make grants to and enter into contracts with public and non-profit private entities.

**SEC. 572. GENERAL PROVISIONS.**

(a) **APPLICATIONS FOR FINANCIAL ASSISTANCE.**—The Director may not provide a grant or contract under this part unless—

(1) an application for such financial assistance is submitted to the Secretary;

(2) with respect to carrying out the purpose for which the assistance is to be provided, the application provides assurances of compliance satisfactory to the Secretary; and

(3) the application otherwise is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out the purpose for which the assistance is to be provided.

(b) **DEFINITIONS.**—For purposes of this part:

(1) The term "Director" means the Director of the Treatment Office, unless the context of usage indicates otherwise.

(2) The term "substance abuse" means the abuse of alcohol or other drugs.

(3) The term "treatment" means treatment for substance abuse, unless the context of usage indicates that the meaning of the term is limited to providing treatment only for the abuse of alcohol, or only for the abuse of another drug or drugs, as the case may be.

(4) The term "Treatment Office" means the Office for Treatment Improvement.

## **Subpart 2—Certain Programs**

**SEC. 576. DEMONSTRATION PROJECTS OF NATIONAL SIGNIFICANCE.**

(a) **GRANTS FOR TREATMENT IMPROVEMENT.**—The Director of the Treatment Office shall provide grants to public and nonprofit private entities for the purpose of establishing demonstration projects that will improve the provision of treatment services for substance abuse.

(b) **NATURE OF PROJECTS.**—Grants under subsection (a) shall be awarded to—

(1) projects that focus on providing treatment to adolescents, female addicts and their children, racial and ethnic minorities, or individuals in rural areas;

(2) projects that provide treatment and vocational training in exchange for public service;

(3) projects that provide treatment services and which are operated by public and nonprofit private entities receiving grants under section 329, 330 or 340;

(4) "treatment campus" projects that—

(A) serve a significant number of individuals simultaneously;

(B) provide residential, non-community based drug treatment;

(C) provide patients with ancillary social services and referrals to community-based aftercare; and

(D) provide services on a voluntary basis;

(5) projects in large metropolitan areas to identify individuals in need of treatment services and to improve the availability and delivery of such services in the areas;

(6) in the case of individuals who engage in intravenous drug abuse, projects to conduct outreach activities to the individuals regarding the prevention of exposure to and the transmission of the etiologic agent for acquired immune deficiency syndrome, and to encourage the individuals to seek treatment for such abuse; and

(7) projects to determine the long-term efficacy of the projects described in this section and to disseminate to appropriate public and private entities information on the projects that have been effective.

(c) **PREFERENCES IN MAKING GRANTS.**—In awarding grants under subsection (a), the Director of the Treatment Office shall give preference to projects that—

(1) demonstrate a comprehensive approach to the problems associated with substance abuse and provide evidence of broad community involvement and support; or

(2) initiate and expand programs for the provision of treatment services (including renovation of facilities, but not construction) in localities in which, and among populations for which, there is a public health crisis as a result of the inadequate availability of such services and a substantial rate of drug abuse.

(d) **DURATION OF GRANTS.**—The period during which payments are made under a grant under subsection (a) may not exceed 5 years.

(e) **EVALUATIONS.**—The Director of the Treatment Office shall require, as a condition of awarding grants under subsection (a), a systematic evaluation of the projects funded under such subsection.

(f) **AUTHORIZATION OF APPROPRIATIONS.**—

(1) **IN GENERAL.**—For the purpose of carrying out this section, there are authorized to be appropriated \$240,000,000 for fiscal year 1992, \$300,000,000 for fiscal year 1993, and \$400,000,000 for fiscal year 1994. The amounts so authorized are in addition to any other amounts that are authorized to be appropriated and available for such purpose.

(2) **ALLOCATION.**—Of the amounts appropriated under paragraph (1) for a fiscal year, the Director of the Treatment Office shall reserve not less than 10 percent for carrying out projects described in subsection (b)(3).

#### **SEC. 577. MODEL DEMONSTRATION PROGRAMS FOR TREATMENT SERVICES IN PENAL AND CORRECTIONAL INSTITUTIONS.**

(a) **IN GENERAL.**—The Director of the Treatment Office may make grants to public and nonprofit private entities for the purpose of carrying out demonstration programs to provide treatment services for substance abuse to inmates of penal or correctional institutions of States or political subdivisions of States.

(b) **REQUIREMENTS FOR PROGRAMS.**—With respect to a program of treatment established pursuant to subsection (a), the Director may not make a grant unless the applicant involved agrees as follows:

(1) The goal of treatment will be for the inmate involved to overcome any dependency on alcohol or other drugs, to cease en-



gaging in substance abuse and make a commitment not to relapse into such abuse, and to acquire the minimum skills necessary for obtaining and maintaining employment.

(2) Participation in the program by an inmate will be voluntary. An inmate will be admitted to the program only if—

(A) the applicant has determined that the individual is in need of treatment;

(B) the term or terms of incarceration of the inmate are scheduled to be completed not later than 1 year after the date on which the individual is to be admitted to the program; and

(C) there is a reasonable basis for believing that the inmate will make significant progress toward achieving the goal described in paragraph (1) before the end of such term.

(3) If an inmate is admitted to the program, the applicant will make available to the inmate, directly or through arrangements with other public or nonprofit private entities, such services as may be necessary to provide the inmate with a reasonable opportunity to make significant progress toward the goal described in paragraph (1).

(4) For purposes of facilitating treatment, the applicant will, to the extent practicable, separate inmates participating in the program from other inmates.

(5) In the case of an inmate participating in the program whose date of release from incarceration is nearing, the applicant will make reasonable efforts to refer the individual (the former inmate), upon such release, to public or nonprofit private entities that can make available to the individual services that will assist the individual with respect to the goal described in paragraph (1).

(c) **AGREEMENT REGARDING INSTITUTION INVOLVED.**—With respect to any penal or correctional institution in which an applicant for a grant under subsection (a) proposes to carry out a program under such subsection, the Director may not make the grant to the applicant unless the State or political subdivision administering the institution has agreed to cooperate with the applicant regarding the establishment and operation of the program.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out this section, there are authorized to be appropriated \$50,000,000 for each of the fiscal years 1992 through 1994.

### **Subpart 3—Model Comprehensive Program for Treatment of Substance Abuse**

#### **SEC. 581. DEMONSTRATION PROGRAM IN NATIONAL CAPITAL AREA.**

(a) **IN GENERAL.**—The Director of the Treatment Office shall make a demonstration grant for the establishment, within the national capital area, of a model program for providing comprehensive treatment services for substance abuse.

(b) **PURPOSES.**—The Director may not make a grant under subsection (a) unless, with respect to the comprehensive treatment services to be offered by the program under such subsection, the applicant for the grant agrees—

(1) to ensure, to the extent practicable, that the program has the capacity to provide the services to all individuals who seek and would benefit from the services;

(2) as appropriate, to provide education on obtaining employment and other matters with respect to assisting the individuals in preventing any relapse with respect to substance abuse, including education on the appropriate involvement of parents and sexual partners in preventing such a relapse;

(3) to provide services in locations accessible to substance abusers and, to the extent practicable, to provide services through mobile facilities;

(4) to give priority to providing services to individuals who abuse drugs intravenously, to pregnant women, to homeless individuals, and to residents of publicly-assisted housing;

(5) with respect to women with dependent children, to provide child care to such women seeking treatment services for substance abuse;

(6) to conduct outreach activities to inform individuals of the availability of the services of the program;

(7) to provide case management services, including services to determine eligibility for assistance under Federal, State, and local programs providing health services, mental health services, or social services;

(8) to ensure the establishment of one or more offices to oversee the coordination of the activities of the program, to ensure that treatment is available to those seeking it, to ensure that the program is administered efficiently, and to ensure that the public is informed that the offices are the locations at which individuals may make inquiries concerning the program, including the location of available treatment services within the national capital area; and

(9) to develop and utilize standards for certifying the knowledge and training of individuals, and the quality of programs, to provide treatment services for substance abuse.

(c) CERTAIN REQUIREMENTS. —

(1) REGARDING ELIGIBILITY FOR GRANT. —

(A) The Director may not make the grant under subsection (a) unless the applicant involved is an organization of the general-purpose local governments within the national capital area, or another public or nonprofit private entity, and the applicant submits to the Director assurances satisfactory to the Director that, with respect to the communities in which services will be offered, the local governments of the communities will participate in the program.

(B) The Director may not make the grant under subsection (a) unless—

(i) an application for the grant is submitted to the Director;

(ii) with respect to carrying out the purpose for which the grant is to be made, the application provides assurances of compliance satisfactory to the Director; and

(iii) the application otherwise is in such form, is made in such manner, and contains such agreements,

assurances, and information as the Director determines to be necessary to carry out this section.

(2) *AUTHORITY FOR COOPERATIVE AGREEMENTS.*—The grantee under subsection (a) may provide the services required by such subsection directly or through arrangements with public and nonprofit private entities.

(d) *REQUIREMENT OF NON-FEDERAL CONTRIBUTIONS.*—

(1) *IN GENERAL.*—The Director may not make a grant under subsection (a) unless the applicant for the grant agrees, with respect to the costs to be incurred by the applicant in carrying out the purpose described in such subsection, to make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount equal to not less than \$1 for each \$4 of Federal funds provided under the grant.

(2) *DETERMINATION OF AMOUNT CONTRIBUTED.*—Non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

(e) *EVALUATIONS.*—The Director shall make a grant or enter into a contract for the conduct of an evaluation of the effectiveness of the program carried out under subsection (a). The grant or contract shall provide for an evaluation of the extent to which the program has effectively utilized innovative methods for overcoming the resistance of the residents of communities to the establishment of treatment facilities within the communities.

(f) *REPORTS.*—

(1) *INITIAL CRITERIA.*—The Director shall make a determination of the appropriate criteria for carrying out the program required in subsection (a), including the anticipated need for, and range of, services under the program in the communities involved and the anticipated costs of the program. Not later than 90 days after the date of the enactment of the Community Mental Health and Substance Abuse Services Improvement Act of 1991, the Director shall submit to the Congress a report describing the findings made as a result of the determination.

(2) *ANNUAL REPORTS.*—Not later than 1 year after the date on which the grant is made under subsection (a), and annually thereafter, the Director shall submit to the Congress a report describing the extent to which the program carried out under subsection (a) has been effective in carrying out the purposes of the program.

(g) *DEFINITION.*—For purposes of this section, the term “national capital area” means the metropolitan Washington area, including the District of Columbia, the cities of Alexandria, Falls Church, and Fairfax in the State of Virginia, the counties of Arlington and Fairfax in such State (and the political subdivisions located in such counties), and the counties of Montgomery and Prince George’s in the State of Maryland (and the political subdivisions located in such counties).



(h) *FUNDING.*—Of the amounts made available in appropriations Acts for the fiscal years 1992 through 1994 for carrying out the programs administered by the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration, the Secretary, acting through the Director of the Treatment Office, shall reserve for carrying out this section, respectively, \$10,000,000, for fiscal year 1992, \$10,000,000, for fiscal year 1993, and \$5,000,000, for fiscal year 1994.

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## TITLE XII—TRAUMA CARE

\* \* \* \* \*

### PART C—GENERAL PROVISIONS *Regarding Parts A and B*

#### SEC. 1231. DEFINITIONS.

For purposes of [this title] *this part and parts A and B:*

(1) \* \* \*

\* \* \* \* \*

#### SEC. 1232. FUNDING.

(a) *AUTHORIZATION OF APPROPRIATIONS.*—For the purpose of carrying out [this title] *parts A and B*, there are authorized to be appropriated \$60,000,000 for fiscal year 1991 and such sums as may be necessary for each of the fiscal years 1992 and 1993.

\* \* \* \* \*

### PART D—TRAUMA CENTERS OPERATING IN AREAS SEVERELY AFFECTED BY DRUG-RELATED VIOLENCE

#### SEC. 1241. GRANTS FOR CERTAIN TRAUMA CENTERS.

(a) *IN GENERAL.*—The Secretary may make grants for the purpose of providing for the operating expenses of trauma centers that have incurred substantial uncompensated costs in providing trauma care in geographic areas with a significant incidence of violence arising from the abuse of drugs. Grants under this subsection may be made only to such trauma centers.

(b) *MINIMUM QUALIFICATIONS OF CENTERS.*—

(1) *SIGNIFICANT INCIDENCE OF TREATING PENETRATION WOUNDS.*—

(A) The Secretary may not make a grant under subsection (a) to a trauma center unless the population of patients that has been served by the center for the period specified in subparagraph (B) includes a significant number of patients who were treated for wounds resulting from the penetration of the skin by knives, bullets, or other weapons.

(B) The period specified in this subparagraph is the 2-year period preceding the fiscal year for which the trauma center involved is applying to receive a grant under subsection (a).

(2) *PARTICIPATION IN TRAUMA CARE SYSTEM OPERATING UNDER CERTAIN PROFESSIONAL GUIDELINES.*—The Secretary may not make a grant under subsection (a) unless the trauma center involved is a participant in a system that—

(A) provides comprehensive medical care to victims of trauma in the geographic area in which the trauma center is located;

(B) is established by the State or political subdivision in which such center is located; and

(C) has adopted guidelines for the designation of trauma centers, and for triage, transfer, and transportation policies, equivalent to (or more protective than) the applicable guidelines developed by the American College of Surgeons or utilized in the model plan established under section 1213(c).

#### SEC. 1242. PREFERENCES IN MAKING GRANTS.

(a) *IN GENERAL.*—In making grants under section 1241(a), the Secretary shall give preference to any application—

(1) made by a trauma center that, for the purpose specified in such section, will receive financial assistance from the State or political subdivision involved for each fiscal year during which payments are made to the center from the grant, which financial assistance is exclusive of any assistance provided by the State or political subdivision as a non-Federal contribution under any Federal program requiring such a contribution; or

(2) made by a trauma center that, with respect to the system described in section 1241(b)(2) in which the center is a participant—

(A) is providing trauma care in a geographic area in which the availability of trauma care has significantly decreased as a result of a trauma center in the area permanently ceasing participation in such system as of a date occurring during the 2-year period specified in section 1241(b)(1)(B); or

(B) will, in providing trauma care during the 1-year period beginning on the date on which the application for the grant is submitted, incur uncompensated costs in an amount rendering the center unable to continue participation in such system, resulting in a significant decrease in the availability of trauma care in the geographic area.

(b) *FURTHER PREFERENCE FOR CERTAIN APPLICATIONS.*—With respect to applications for grants under section 1241 that are receiving preference for purposes of subsection (a), the Secretary shall give further preference to any such application made by a trauma center for which a disproportionate percentage of the uncompensated costs of the center result from the provision of trauma care to individuals who are undocumented aliens.

#### SEC. 1243. COMMITMENT REGARDING CONTINUED PARTICIPATION IN TRAUMA CARE SYSTEM.

The Secretary may not make a grant under subsection (a) of section 1241 unless the trauma center involved agrees that—

(1) the center will continue participation in the system described in subsection (b) of such section throughout the 3-year period beginning on the date that the center first receives payments under the grant; and

(2) if the agreement made pursuant to paragraph (1) is violated by the center, the center will be liable to the United States for an amount equal to the sum of—

(A) the amount of assistance provided to the center under subsection (a) of such section; and

(B) an amount representing interest on the amount specified in subparagraph (A).

#### SEC. 1244. GENERAL PROVISIONS.

(a) **APPLICATION.**—The Secretary may not make a grant under section 1241(a) unless an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this part.

(b) **LIMITATION ON DURATION OF SUPPORT.**—The period during which a trauma center receives payments under section 1241(a) may not exceed 3 fiscal years, except that the Secretary may waive such requirement for the center and authorize the center to receive such payments for 1 additional fiscal year.

#### SEC. 1245. AUTHORIZATION OF APPROPRIATIONS.

For the purpose of carrying out this part, there are authorized to be appropriated \$50,000,000 for fiscal year 1992, \$100,000,000 for fiscal year 1993, and \$150,000,000 for fiscal year 1994.

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### TITLE XIX—BLOCK GRANTS

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#### [PART B—ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH SERVICES BLOCK GRANT

##### [Subpart 1—Block Grant

#### [AUTHORIZATION OF APPROPRIATIONS

[SEC. 1911. (a) For the purpose of carrying out this subpart and section 509D, there are authorized to be appropriated \$1,500,000,000 for fiscal year 1989 and such sums as may be necessary for each of the fiscal years 1990 and 1991.

[(b) For the purpose of carrying out section 509D and sections 1921 through 1923, the Secretary shall obligate not less than 5 percent, and not more than 15 percent, of the amounts appropriated for a fiscal year pursuant to subsection (a).

#### [GRANTS

[SEC. 1912. (a) The Secretary may use not more than 1 percent of the amount appropriated under section 1911 for any fiscal year to make grants to public and nonprofit private entities for projects for the training and retraining of employees adversely affected by changes in the delivery of mental health services and for providing such employees assistance in securing employment.

[(b) No grant may be made by the Secretary under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain and be accompanied by such information, as the Secretary may specify. No such application may be approved unless it contains assurances that the applicant will use



the funds provided only for the purposes specified in the approved application and will establish such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement and accounting of Federal funds paid to the applicant under subsection (a).

### 【ALLOTMENTS

【SEC. 1912A. (a)(1) Subject to subsections (b) and (e), the Secretary shall determine the amount of the allotment under this subpart for a State for a fiscal year in accordance with the following formula:

$$A \left( \frac{X}{U} \right)$$

【(2) For purposes of the formula specified in paragraph (1), the term “A” means the difference between—

【(A) an amount equal to the amount appropriated pursuant to section 1911 for allotments under this subpart for the fiscal year involved; and

【(B) an amount equal to 1.5 percent of the amount referred to in subparagraph (A).

【(3) For purposes of the formula specified in paragraph (1), the term “U” means the sum of the respective terms “X” determined for each State under paragraph (4).

【(4)(A) For purposes of the formula specified in paragraph (1), the term “X” means the product of—

【(i) an amount equal to the term “P”, as determined for the State involved under subparagraph (B); and

【(ii) the greater of—

【(I) 0.4; and

【(II) an amount equal to an amount determined for the State in accordance with the following formula:

$$1-.35 \left( \frac{S}{N} \right)$$

【(B) For purposes of subparagraph (A)(i), the term “P” means the sum of—

【(i) an amount equal to the product of—

【(I) 0.4; and

【(II) an amount equal to the population living in urbanized areas of the State involved, as indicated by the most recent data collected by the Bureau of the Census;

【(ii) an amount equal to the product of—

【(I) 0.2; and

【(II) an amount equal to the number of individuals in the State who are between 18 and 24 years of age (inclusive) as indicated by the most recent data collected by the Bureau of the Census;

[(iii) an amount equal to the product of—

[(I) 0.2; and

[(II) an amount equal to the number of individuals in the State who are between 25 and 44 years of age (inclusive) as indicated by the most recent data collected by the Bureau of the Census; and

[(iv) an amount equal to the product of—

[(I) 0.2; and

[(II) an amount equal to the number of individuals in the State who are between 25 and 64 years of age (inclusive) as indicated by the most recent data collected by the Bureau of the Census.

[(C) In the case of the several States, for purposes of the formula specified in subparagraph (A)(ii)(II), the term "S" means the quotient of—

[(i) an amount equal to the most recent 3-year average of the total taxable resources of the State involved, as determined by the Secretary of the Treasury; divided by

[(ii) an amount equal to the term "P", as determined for the State under subparagraph (B).

[(D) In the case of the several States, for purposes of the formula specified in subparagraph (A)(ii)(II), the term "N" means the quotient of—

[(i) an amount equal to the sum of—

[(I) the sum of the respective amounts determined for each of the several States under subparagraph (C)(i); and

[(II) an amount equal to the most recent 3-year average of the total taxable resources of the District of Columbia, as determined by the Secretary of the Treasury; divided by

[(ii) an amount equal to the sum of the respective terms "P" determined for each of the several States, and for the District of Columbia, under subparagraph (B).

[(E) In the case of the District of Columbia, for purposes of the formula specified in subparagraph (A)(ii)(II)—

[(i) the term "S" means the quotient of—

[(I) an amount equal to the most recent 3-year average of the total personal income in such District, as determined by the Secretary of Commerce; divided by

[(II) an amount equal to the term "P", as determined for such District under subparagraph (B); and

[(ii) the term "N" means the quotient of—

[(I) an amount equal to the most recent 3-year average of the total personal income in the United States, as determined by the Secretary of Commerce; divided by

[(II) an amount equal to the sum of the respective terms "P" determined for each of the several States, and for the District of Columbia, under subparagraph (B).

[(b) Each State shall receive a minimum allotment under this subpart of the lesser of—

[(1) \$7,000,000; and

[(2) an amount equal to 105 percent of the sum of—

[(A) the amount the State received under section 1913 for fiscal year 1988 (as such section was in effect for such fiscal year); and

[(B) the amount the State received under part C for fiscal year 1988 (as such part was in effect for such fiscal year).

[(c)(1) Subject to paragraph (2), the allotment under this subpart for a territory of the United States shall be the product of—

[(A) an amount equal to the amounts reserved under paragraph (3); and

[(B) a percentage equal to the quotient of—

[(i) the population of the territory, as indicated by the most recently available data; divided by

[(ii) the aggregate population of the territories of the United States, as indicated by such data.

[(2) Each territory of the United States shall receive a minimum allotment under this subpart of the greater of—

[(A) \$100,000; and

[(B) an amount equal to 105 percent of the sum of—

[(i) the amount the territory received under section 1913 for fiscal year 1988 (as such section was in effect for such fiscal year); and

[(ii) the amount the territory received under part C for fiscal year 1988 (as such part was in effect for such fiscal year).

[(3) The Secretary shall reserve for the territories of the United States 1.5 percent of the amounts appropriated pursuant to section 1911 for allotments under this subpart for each fiscal year.

[(d)(1) Of the amount allotted to the State of Hawaii under this section, an amount equal to the proportion of Native Hawaiians residing in the State of Hawaii to the total population of the State of Hawaii shall be available under this section only for Native Hawaiians.

[(2) The amount made available under paragraph (1) may be expended only through contracts entered into by the State of Hawaii with public and private nonprofit organizations to enable such organizations to plan, conduct, and administer comprehensive substance abuse and treatment programs for the benefit of Native Hawaiians. In entering into contracts under this subsection, the State of Hawaii shall give preference to Native Hawaiian organizations and Native Hawaiian health centers.

[(3) For the purposes of this subsection, the terms “Native Hawaiian”, “Native Hawaiian organization”, and “Native Hawaiian health center” have the meaning given such terms in section 2308 of subtitle D of title II of the Anti-Drug Abuse Act of 1988.

[(e)(1) For fiscal years 1989 through 1992, if the amount available for allotment from appropriations under section 1911 does not exceed the amount applicable under subsection (f) for the fiscal year involved, the amount of the allotment under this subpart for the State for such fiscal year shall be the product of—

[(A) the amount available for allotments to the States from appropriations under section 1911 for such fiscal year; and

[(B) a percentage equal to the quotient of—



[(i) an amount equal to the amount of the allotment under this part for the State for fiscal year 1984; divided by

[(ii) an amount equal to the amount appropriated for allotments under this part for fiscal year 1984.

[(2) For the fiscal years referred to in paragraph (1), if the amount available for allotment from appropriations under section 1911 exceeds the amount applicable under subsection (f) for the fiscal year involved—

[(A) the amount of such excess shall be allotted in accordance with subsection (a), except that the amount referred to in subsection (a)(2)(A) shall be deemed to be an amount equal to the amount of such excess; and

[(B) the amount equal to such applicable amount shall be allotted in accordance with paragraph (1).

[(f) For purposes of subsection (e)—

[(1) the amount applicable for fiscal year 1989 is \$330,000,000;

[(2) the amount applicable for fiscal year 1990 is \$250,000,000;

[(3) the amount applicable for fiscal year 1991 is \$200,000,000; and

[(4) the amount applicable for fiscal year 1992 is \$100,000,000.

[(g)(1)(A) For purposes of this subpart, the term “State” means, except as provided in subparagraph (B), each of the several States, the District of Columbia, and each of the territories of the United States.

[(B) For purposes of subsections (a), (b), (e), and (f), the term “State” means each of the several States and the District of Columbia.

[(2) The term “territories of the United States” means each of the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

[(h) Effective October 1, 1992, this subsection and subsections (e) and (f) are repealed.

[(i)(1) For fiscal year 1989, the Secretary may not make payments to a State from amounts appropriated in the Anti-Drug Abuse Act of 1988 for allotments under this subpart unless the State agrees that—

[(A) such payments will be expended only for the purpose of carrying out programs for substance abuse; and

[(B) in carrying out such programs, the State will expend not less than 50 percent of such payments to carry out the programs of treatment for intravenous drug abuse described in section 1915(c).

[(2) The Secretary may, upon the request of a State, waive all or part of the requirement established in paragraph (1)(B) for the State if the Secretary determines that the incidence of intravenous drug abuse in the State does not require the level of funding required in such paragraph. The Secretary shall act upon a request for such a waiver not later than 120 days after the date on which

the request is made. The Secretary may approve such request only after providing interested persons in the State an opportunity to comment upon the request.

**[CERTAIN PROVISIONS WITH RESPECT TO ALLOTMENTS**

**[SEC. 1913. (a)** To the extent that all the funds appropriated under section 1911 for a fiscal year and available for allotment in such fiscal year are not otherwise allotted to States because—

**[(1)** one or more States have not submitted an application or description of activities in accordance with section 1916 for the fiscal year;

**[(2)** one or more States have notified the Secretary that they do not intend to use the full amount of their allotment; or

**[(3)** some State allotments are offset or repaid under section 1917(b)(3);

such excess shall be allotted among each of the remaining States in proportion to the amount otherwise allotted to such States for the fiscal year without regard to this subsection.

**[(b)(1)** If the Secretary—

**[(A)** receives a request from the governing body of an Indian tribe or tribal organization within any State that funds under this part be provided directly by the Secretary to such tribe or organization, and

**[(B)** determines that the members of such tribe or tribal organization would be better served by means of grants made directly by the Secretary on this part,

the Secretary shall reserve from amounts which would otherwise be allotted to such State under subsection (a) for the fiscal year the amount determined under paragraph (2).

**[(2)** The Secretary shall reserve for the purpose of paragraph (1) from amounts that would otherwise be allotted to such State under subsection (a) an amount equal to the amount which bears the same ratio to the State's allotment for the fiscal year involved as the total amount provided or allotted for fiscal year 1980 by the Secretary to such tribe or tribal organization under—

**[(A)** the Community Mental Health Centers Act,

**[(B)** the Mental Health Systems Act,

**[(C)** section 301 of this Act,

**[(D)** sections 301 and 312 of the Comprehensive Alcohol Abuse and Alcoholism, Prevention, Treatment, and Rehabilitation Act of 1970, and

**[(E)** sections 409 and 410 of the Drug Abuse Prevention, Treatment, and Rehabilitation Act,

bore to the total amount provided or allotted for such fiscal year by the Secretary to the State and entities (including Indian tribes and tribal organizations) in the State under such provisions of law.

**[(3)** The amount reserved by the Secretary on the basis of a determination under this subsection shall be granted to the Indian tribe or tribal organization serving the individuals for whom such a determination has been made.

**[(4)** In order for an Indian tribe or tribal organization to be eligible for a grant for a fiscal year under this subsection, it shall

submit to the Secretary a plan for such fiscal year which meets such criteria as the Secretary may prescribe.

[(5) The terms "Indian tribe" and "tribal organization" have the same meaning given such terms in section 4(b) and section 4(c) of the Indian Self-Determination and Education Assistance Act.

#### [PAYMENTS UNDER ALLOTMENTS TO STATES

[SEC. 1914. (a)(1) For each fiscal year, the Secretary shall make payments, as provided by section 6503 of title 31, United States Code, to each State from its allotment under section 1912A (other than any amount reserved under section 1913(b)) from amounts appropriated for that fiscal year.

[(2) Any amounts paid to a State under this section, obligated by the State, and remaining unexpended at the end of the fiscal year for which the amounts were paid shall remain available during the succeeding fiscal year to the State for carrying out this subpart.

[(b) The Secretary, at the request of a State, may reduce the amount of payments under subsection (a) by—

[(1) the fair market value of any supplies or equipment furnished the State, and

[(2) the amount of the pay, allowances, and travel expenses of any officer or employee of the Government when detailed to the State and the amount of any other costs incurred in connection with the detail of such officer or employee, when the furnishing of supplies or equipment or the detail of an officer or employee is for the convenience of and at the request of the State and for the purpose of conducting activities described in section 1915. The amount by which any payment is so reduced shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment or in detailing the personnel, on which the reduction of the payment is based, and the amount shall be deemed to be part of the payment and shall be deemed to have been paid to the State.

#### [USE OF ALLOTMENTS

[Sec. 1915. (a) Except as provided in subsections (b) and (c), amounts paid to a State under section 1914 and amounts transferred by the State for use under this part may be used by the State for—

[(1) planning, establishing, maintaining, coordinating, and evaluating projects for the development of more effective prevention, treatment, and rehabilitation programs and activities to deal with alcohol and drug abuse; and

[(2) grants to community mental health centers in accordance with section 1916(c) and grants to community mental health centers for the provision of the following services:

[(A) Services for chronically mentally ill individuals, which include identification of chronically mentally ill individuals and assistance to such individuals in gaining access to essential services through the assignment of case managers.



[(B) Identification and assessment of severely mentally disturbed children and adolescents and provision of appropriate services to such individuals.

[(C) Identification and assessment of mentally ill elderly individuals and provision of appropriate services to such individuals.

[(D) Services for identifiable populations which are currently underserved in the State.

[(E) Coordination of mental health and health care services provided within health care centers.

Amounts provided for the activities referred to in the preceding sentence may also be used for related planning, administration, and educational activities.

[(b) A State may not use amounts paid to it under section 1914 to—

[(1) provide inpatient services in the case of amounts provided for community mental health centers or provide inpatient hospital services in the case of amounts provided for alcohol or drug abuse programs,

[(2) make cash payments to intended recipients of health services

[(3) purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment,

[(4) satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds, or

[(5) provide financial assistance to any entity other than a public or nonprofit private entity.

The Secretary may, with respect to funds available under this subpart for programs relating to substance abuse, grant a waiver to a State to use such amounts for the construction of a new facility or rehabilitation of a existing facility, but not for land acquisition. The Secretary may approve a waiver only if the State demonstrates to the Secretary that adequate treatment cannot be provided through the use of existing facilities and that alternative facilities in existing suitable buildings are not available. In granting such a waiver, the Secretary shall allow the use of a specified amount of funds to construct or rehabilitate a specified number of beds for residential treatment and a specified number of slots for outpatient treatment, based on reasonable estimates by the State of the costs of construction or rehabilitation. In considering waiver applications, the Secretary shall ensure that the State has carefully designed a program that will minimize the costs of additional beds. The Secretary may grant a waiver only if the State agrees, with respect to the costs to be incurred by the State in carrying out the purpose of the waiver, to make available non-Federal contributions in cash toward such costs in an amount equal to not less than \$1 for each \$1 of Federal funds provided under section 1914. The Secretary shall act upon a request for such a waiver not later than 120 days after the date on which the request is made.

[(c)(1) Amounts paid to a State under section 1914 may be used by the State—

[(A) to develop, implement, and operate programs of treatment for intravenous drug abuse, with priority given to pro-

grams to treat individuals infected with the etiologic agent for acquired immune deficiency syndrome;

[(B) to train drug abuse counselors, and other health care providers, to provide such treatment; and

[(C) with respect to individuals in need of treatment for intravenous drug abuse, to carry out outreach activities for the purpose of encouraging such individuals to undergo such treatment.

[(2) A State may not use amounts under this subpart pursuant to this subsection unless the State involved agrees that such payments will not be expended—

[(A) to carry out any program of distributing sterile needles for the hypodermic injection of any illegal drug or distributing bleach for the purpose of cleansing needles for such hypodermic injection; or

[(B) to carry out any testing for the etiologic agent for acquired immune deficiency syndrome unless such testing is accompanied by appropriate pre-test counseling and appropriate post-test counseling.

[(d) Of the amount paid to any State under section 1914, not more than 5 percent may be used for administering the funds made available under such section. The State will pay from non-Federal sources the remaining costs of administering such funds.

[(e) Amounts paid to a State under section 1914 may be used by the State for the purpose of developing and implementing State comprehensive mental health plans in accordance with section 1925. With respect to compliance with the limitation established in subsection (d), none of the expenditures by the State for the purpose described in the preceding sentence from amounts received under section 1914 may be considered to have been expended for administering the amounts.

#### [APPLICATION AND DESCRIPTION OF ACTIVITIES

[SEC. 1916. (a) In order to receive an allotment for a fiscal year under section 1912A each State shall submit an application to the Secretary. Each such application shall be in such form and submitted by such date as the Secretary shall require. Each such application shall contain assurances that the legislature of the State has complied with the provisions of subsection (b) and that the State will meet the requirements of subsection (c).

[(b) No funds shall be allotted to a State for a fiscal year under section 1912A unless the legislature of the State conducts public hearings on the proposed use and distribution of funds to be provided under section 1914 for such fiscal year.

[(c) As part of the annual application required by subsection (a), the chief executive officer of each State shall certify as follows:

[(1) The State agrees to use the funds allotted to it under section 1913 in accordance with the requirements of this part.

[(2)(A) Of the amounts allotted to a State for mental health activities under this subpart for fiscal year 1991, the State agrees to use not less than 55 percent to develop and provide community mental health services and programs not available on October 1, 1988, and, with respect to each such service pro-

vided pursuant to this paragraph, to provide funds for each service only for a limited period of time (as determined by the State), except that funds expended under this subpart for new services developed between October 1, 1984, and October 1, 1988, may be treated as a new service under this paragraph.

[(B) A State may request a waiver from the Secretary reducing the new service requirement established in subparagraph (A) to not less than 35 percent by 1991, increased to 55 percent by 1994, according to a schedule approved by the Secretary, if—

[(i)(I) a public hearing is held in the State on the advisability of proceeding with a waiver prior to the submission of a waiver; and

[(II) the mental health planning council in the State approves such waiver request; and

[(ii)(I) the State is judged by the Secretary to be in a financial crisis, based on objective standards established in regulations promulgated by the Secretary (such standards may include a large drop in State revenues as a result of changes in economic conditions);

[(II) more than 15 percent of the State's total community mental health budget is derived from Federal grants under this part and the Secretary determines that it is not feasible for the State to meet the 55 percent standard without substantial and damaging reductions in existing, high priority services; or

[(III) the Secretary determines that a State has demonstrated substantial ongoing development of new, innovative services for priority populations and that any shift in funding percentages will only disrupt this process and will substantially disrupt services in place.

[(3) The State agrees to make grants to community mental health centers in the State for the provision of comprehensive mental health services—

[(A) principally to individuals residing in a defined geographic area (hereinafter in this section referred to as a "mental health service area"), with special attention to individuals who are chronically mentally ill,

[(B) within the limits of its capacity, to any individual residing or employed in its mental health service area regardless of ability to pay for such services, current or past health condition, or any other factor, and

[(C) which are available and accessible promptly, as appropriate and in a manner which preserves human dignity and assures continuity and high quality care.

[(4) The State agrees to require that any community mental health center in the State receiving a grant from the State under this part provide—

[(A) outpatient services, including specialized outpatient services for children, the elderly, individuals who are chronically mentally ill, and residents of its mental health service area who have been discharged from inpatient treatment at a mental health facility,

[(B) 24-hour-a-day emergency care services,



[(C) day treatment or other partial hospitalization services, or psychosocial rehabilitation services,

[(D) screening for patients being considered for admission to State mental health facilities to determine the appropriateness of such admission, and

[(E) consultation and education services.

[(5) The State agrees to provide for periodic independent peer review to assess the quality and appropriateness of treatment services provided by entities that receive funds from the State pursuant to this subpart.

[(6)(A) Except as provided in subparagraph (B), the State agrees to use the funds allotted to it each fiscal year under section 1912A for the mental health and alcohol and drug abuse activities authorized in section 1915 as follows:

[(i) The amount provided for mental health activities shall not exceed an amount which bears the same relationship to the funds allotted to the State for such fiscal year as the funds which would have been received by the State and entities in the State in fiscal year 1981 for mental health services under the Community Mental Health Centers Act and the Mental Health Systems Act and for mental health services demonstrations under section 301 of this Act if the Secretary had obligated all of the funds appropriated for such provisions of law under Public Law 96-536 bore to the funds which would have been so received by the State and entities in the State in such fiscal year under such provisions of law and the funds received by the State and entities in the State (I) in fiscal year 1980 under sections 301 and 312 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 and sections 409 and 410 of the Drug Abuse Prevention, Treatment, and Rehabilitation Act, (II) in fiscal year 1988 under part C of this title (as such part was in effect for such fiscal year), (III) in fiscal year 1989 under appropriations made in the Anti-Drug Abuse Act of 1988 to carry out this subpart, and (IV) in fiscal year 1990 under appropriations made in Public Law 101-164 for allotments under this subpart.

[(ii) The amount provided for alcohol and drug abuse activities shall not exceed an amount which bears the same relationship to the funds allotted to the State for such fiscal year as the funds received by the State and entities in the State (I) in fiscal year 1980 under sections 301 and 312 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 and sections 409 and 410 of the Drug Abuse Prevention, Treatment, and Rehabilitation Act, (II) in fiscal year 1988 under part C of this title (as such part was in effect for such fiscal year), (III) in fiscal year 1989 under appropriations made in the Anti-Drug Abuse Act of 1988 to carry out this subpart, and (IV) in fiscal year 1990 under appropriations made in Public Law 101-164 for allotments under this subpart bore to the funds received by the State and entities in the State in such fiscal years under such provisions of law

and the funds which would have been received by the State and entities in the State in fiscal year 1981 for mental health services under the Community Mental Health Centers Act and the Mental Health Systems Act and for mental health services demonstrations under section 301 of this Act if the Secretary had obligated all of the funds appropriated for such provisions of law under Public Law 96-536.

[(B) The State agrees to use 90 percent of the funds allotted to it under section 1912A for fiscal years beginning after 1988 for the mental health and alcohol and drug abuse activities authorized in section 1915 as required in subparagraph (A).

[(7)(A) In any fiscal year, the State agrees to use funds for the alcohol and drug abuse activities prescribed by section 1915(a) as follows:

[(i) Not less than 35 percent of the amount to be made available for such activities shall be used for programs and activities relating to alcoholism and alcohol abuse.

[(ii) Not less than 35 percent of the amount to be made available for such activities shall be used for programs and activities relating to drug abuse.

[(B)(i) For fiscal year 1990 and subsequent fiscal years, the State agrees that, of the amounts reserved by the State to carry out subparagraph (A)(ii), the State will expend not less than 50 percent to provide services described in section 1915(c).

[(ii) The Secretary may, upon the request of a State, waive all or part of the requirement established in clause (i) for the State if the Secretary determines that the incidence of intravenous drug abuse in the State does not require the level of funding required in such clause. The Secretary shall act upon a request for such a waiver not later than 120 days after the date on which the request is made. The Secretary may approve such request only after providing interested persons in the State an opportunity to comment upon the request.

[(8) Of the amount to be used in any fiscal year for alcohol or drug abuse activities, the State agrees to use not less than 20 percent of such amount for prevention and early intervention programs designed to discourage the abuse of alcohol or drugs, or both.

[(9) The State agrees to permit and cooperate with Federal investigations undertaken in accordance with section 1918.

[(10) That the State has identified those populations, areas, and localities in the State with a need for mental health, alcohol abuse and alcoholism, and drug abuse services.

[(11)(A) The State agrees to maintain State expenditures for alcohol, drug abuse, and community mental health services at a level equal to not less than the average level of such expenditures maintained by the State for the 2-year period preceding the fiscal year for which the State is applying to receive payments under section 1914.

[(B) The Secretary may, upon the request of a State, waive the requirement established in subparagraph (A) if the Secretary determines that extraordinary economic conditions in the State justify the waiver.

[(12) That the State has in effect a system to protect from inappropriate disclosure patient records maintained by the State in connection with an activity funded under this part or by any entity which is receiving payments from the allotment of the State under this part.

[(13) That the State shall develop and implement arrangements, which are not excessively burdensome on the State, to locate jobs for employees affected adversely by actions taken by the State mental health authority to emphasize outpatient mental health services.

[(14) Of the amount allotted to a State under this subpart in any fiscal year, the State agrees to use not less than 10 percent for alcohol and drug abuse programs and services designed for women (especially pregnant women and women with dependent children) and demonstration projects for the provision of residential treatment services to pregnant women.

[(15) Of the amounts allotted in any fiscal year for mental health services under this subpart, the State agrees—

[(A) to use not less than 10 percent to provide services and programs for seriously emotionally disturbed children and adolescents; and

[(B) to use, by the end of fiscal year 1990, not less than 50 percent of the amount reserved by the State pursuant to subparagraph (A) to provide new or expanded services and programs that were not available prior to October 1, 1988.

[(16) The State agrees that the State will, with respect to programs of treatment for intravenous drug abuse, require that any such program receiving funds pursuant to this part, upon reaching 90 percent of its capacity to admit individuals to the program, provide to the State a notification of such fact.

[(17) The State agrees that the State will, with respect to notifications under paragraph (16), ensure that, to the maximum extent practicable, each individual who requests and is in need of treatment for intravenous drug abuse is admitted to a program described in such paragraph within 7 days after making the request.

[(18) The State agrees that the State will require any program receiving funds pursuant to this part to carry out outreach activities described in 1915(c)(1)(C).

[(19) The State agrees that, in carrying out this subpart with respect to substance abuse, payments under section 1914 will be targeted to communities with the highest prevalence of substance abuse or the greatest need for treatment services with respect to such abuse, as determined by the State after consideration of—

[(A) the demand for such services or a need for such services that exceeds the capacity to provide such services;

[(B) a high prevalence of drug-related criminal activities; and

[(C) a high incidence of communicable diseases transmitted through intravenous drug abuse.

[(20) The State agrees that the State will provide to the Secretary any data required by the Secretary pursuant to section



509D and will cooperate with the Secretary in the development of uniform criteria for the collection of data pursuant to such section.

[(21) The State agrees to devise and make available at such times as the Secretary may request, a plan that describes how the State can provide services to all individuals seeking treatment services if sufficient resources are available and an estimate of the financial and personnel resources necessary to provide such treatment.

[(d) The chief executive officer of a State shall, as part of the application required by subsection (a), also prepare and furnish the Secretary (in accordance with such form as the Secretary shall provide) with a description of the intended use of the payments the State will receive under section 1914 for the fiscal year for which the application is submitted, including information on the programs and activities to be supported and services to be provided. The description shall be made public within the State in such manner as to facilitate comment from any person (including any Federal or other public agency) during development of the description and after its transmittal. The description shall be revised (consistent with this section) throughout the year as may be necessary to reflect substantial changes in the programs and activities assisted by the State under this part, and any revision shall be subject to the requirements of the preceding sentence.

[(e)(1) As part of the annual application required by subsection (a), the chief executive officer of each State shall certify that the State agrees to establish and maintain a State mental health planning council in accordance with this subsection.

[(2) The duties of the Council will be—

[(A) to serve as an advocate for chronically mentally ill individuals, severely emotionally disturbed children and youth, and other individuals with mental illnesses or emotional problems; and

[(B) to monitor, review, and evaluate, not less than once each year, the allocation and adequacy of mental health services within the State.

[(3) The Council will be composed of residents of the State, including representatives of—

[(i) the principal State agencies with respect to—

[(I) mental health, education, vocational rehabilitation, criminal justice, housing, and social services; and

[(II) the development of the plan submitted pursuant to title XIX of the Social Security Act;

[(ii) public and private entities concerned with the need, planning, operation, funding, and use of mental health services and related support services;

[(iii) seriously mentally ill individuals who are receiving (or have received) mental health services; and

[(iv) the families of such individuals.

[(4) Not less than 50 percent of the members of the Council will be individuals who are not State employees or providers of mental health services.

[(5) The Council may assist the State in the preparation of the description of intended expenditures required in subsection (d).

[(f) The Secretary shall report annually to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate on the new or expanded programs and services initiated and provided in accordance with paragraphs (2), (14) and (15) of subsection (c). The report shall include a detailed description of such programs and services, an assessment of the adequacy of such programs and services in meeting the alcohol and drug abuse treatment needs of women and the mental health needs of severely disturbed children and adolescents, and such other information, including legislative and administrative recommendations, as the Secretary deems appropriate.

[(g) A State shall be required to make a grant to a community mental health center under subsection (c)(2) unless—

[(1) the State recommends on the basis of—

[(A) any Federal finding, Federal administrative action, or judicial proceeding with respect to any such community mental health center, or

[(B) a review of such center in accordance with the criteria and procedures required under subsection (c)(5), that the State not be required to make such grants; and

[(2) the Secretary approves the recommendation of the State under paragraph (1) based upon a substantive and procedural review of the record made by the State in making its recommendation under paragraph (1) which review demonstrates that the community mental health center is not providing services as prescribed by paragraphs (3) and (4) of subsection (c) or is engaged in a substantial misuse of funds.

#### [GROUP HOMES FOR RECOVERING SUBSTANCE ABUSERS

[SEC. 1916A. (a) For fiscal year 1989, the Secretary may not make payments under section 1914 unless the State involved agrees—

[(1) to establish, directly or through the provision of a grant or contract to a nonprofit private entity, a revolving fund to make loans for the costs of establishing programs for the provision of housing in which individuals recovering from alcohol or drug abuse may reside in groups of not less than 4 individuals;

[(2) to ensure that the programs are carried out in accordance with guidelines issued under subsection (c);

[(3) to ensure that not less than \$100,000 will be available for the revolving fund;

[(4) to ensure that each loan made from the revolving fund does not exceed \$4000 and that each such loan is repaid to the revolving fund not later than 2 years after the date on which the loan is made;

[(5) to ensure that each such loan is repaid through monthly installments and that a reasonable penalty is assessed for each failure to pay such periodic installments by the date specified in the loan agreement involved; and

[(6) to ensure that such loans are made only to nonprofit private entities agreeing that, in the operation of the program established pursuant to the loan—

[(A) the use of alcohol or any illegal drug in the housing provided by the program will be prohibited;

[(B) any resident of the housing who violates such prohibition will be expelled from the housing;

[(C) the costs of the housing, including fees for rent and utilities, will be paid by the residents of the housing; and

[(D) the residents of the housing will, through a majority vote of the residents, otherwise establish policies governing residence in the housing, including the manner in which applications for residence in the housing are approved.

[(b) For fiscal year 1990 and subsequent fiscal years, the Secretary may not make payments under section 1914 unless the State involved provides assurances satisfactory to the Secretary that the State has provided for the establishment and ongoing operation of a revolving fund in accordance with subsection (a).

[(c) Not later than 90 days after the date of the enactment of the Comprehensive Alcohol Abuse, Drug Abuse, and Mental Health Amendments Act of 1988, the Secretary, acting through the Administrator, shall issue guidelines for the operation of programs described in subsection (a).

[(d) The requirements established in subsections (a) and (b) shall not apply to any territory of the United States other than the Commonwealth of Puerto Rico.

#### [REPORTS AND AUDITS

[SEC. 1917. (a) Each State shall prepare and submit to the Secretary annual reports on its activities under this part. Such reports shall be in such form and contain such information as the Secretary determines (after consultation with the States and the Comptroller General) to be necessary (A) to determine whether funds were expended in accordance with this part and consistent with the needs within the State identified pursuant to section 1916(c)(10), (B) to secure a description of the activities of the State under this part, (C) to furnish the Secretary a detailed description of the new or expanded programs and services initiated and provided in accordance with paragraphs (2), (14), and (15) of section 1916(c), and (D) to secure a record of the purposes for which funds were spent, of the recipients of such funds, and of the progress made toward achieving the purposes for which the funds were provided. Copies of the report shall be provided, upon request, to any interested person (including any public agency).

[(b)(1) Each State shall establish fiscal control and fund accounting procedures as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under section 1914 and funds transferred for use under this part.

[(2) Each State shall provide for one of the following:

[(A) A financial and compliance audit of the funds provided the State under section 1914. Such audits shall be performed biennially, shall cover expenditures in each fiscal year, and shall be conducted in accordance with standards established by the Comptroller General for the audit of governmental organizations, programs, activities, and functions.



[(B) A single financial and compliance audit of each entity administering funds provided under section 1914. An audit of such an entity shall be conducted biennially, shall cover expenditures in each fiscal year, and shall be conducted in accordance with standards of the Comptroller General referred to in subparagraph (A).

Within 30 days after completion of an audit under subparagraph (A) or (B), a copy of the audit report shall be transmitted to the State legislature and the Secretary and shall be made available for public inspection. For purposes of subparagraphs (A) and (B), the term "financial and compliance audit" means an audit to determine whether the financial statements of an audited entity present fairly the financial position and the results of financial operations in accordance with generally accepted accounting principles, and whether the entity has complied with laws and regulations that may have a material effect upon the financial statements.

[(3) Each State shall, after being provided by the Secretary with adequate notice and opportunity for a hearing within the affected State, repay to the United States amounts found not to have been expended in accordance with the requirements of this part or the certification provided under section 1916. If such repayment is not made, the Secretary shall, after providing the State with adequate notice and opportunity for a hearing, offset such amounts against the amount of any allotment to which the State is or may become entitled under section 1912A.

[(4) The State shall make copies of the reports and audits required by this section available for public inspection within the State.

[(5) The Comptroller General of the United States shall, from time to time, evaluate the expenditures by States of grants under this part in order to assure that expenditures are consistent with the provisions of this part.

[(6) Not later than October 1, 1990, the Secretary shall report to the Congress on the activities of the States which have received funds under this part and may include in the report any recommendations for appropriate changes in legislation.

[(c) The provisions of title XVII of the Omnibus Budget Reconciliation Act of 1981 shall not apply with respect to the audit of funds allotted under this part.

#### [WITHHOLDING

[Sec. 1918. (a)(1) The Secretary shall, after adequate notice and an opportunity for a hearing conducted within the affected State, withhold funds from any State which does not use its allotment in accordance with the requirements of this part or the certification provided under section 1916. The Secretary shall withhold such funds until the Secretary finds that the reason for the withholding has been removed and there is reasonable assurance that it will not recur.

[(2) The Secretary may not institute proceedings to withhold funds under paragraph (1) unless the Secretary has conducted an investigation concerning whether the State has used its allotment in accordance with the requirements of this part or the certifica-

tion provided under section 1916. Investigations required by this paragraph shall be conducted within the affected State by qualified investigators.

[(3) The Secretary shall respond in an expeditious manner to complaints of a substantial or serious nature that a State has failed to use funds in accordance with the requirements of this part or the certification provided under section 1916.

[(4) The Secretary may not withhold funds under paragraph (1) from a State for a minor failure to comply with the requirements of this part or the certification provided under section 1916.

[(b)(1) The Secretary shall conduct in several States in each fiscal year investigations of the use of funds received by the States under this part in order to evaluate compliance with the requirements of this part and the certification provided under section 1916.

[(2) The Comptroller General of the United States may conduct investigations of the use of funds received under this part by a State in order to insure compliance with the requirements of this part and the certification provided under section 1916.

[(c) Each State, and each entity which has received funds from an allotment made to a State under this part, shall make appropriate books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request therefor.

[(d)(1) In conducting any investigation in a State, the Secretary or the Comptroller General of the United States may not make a request for any information not readily available to such State or an entity which has received funds from an allotment made to the State under this part or make an unreasonable request for information to be compiled, collected, or transmitted in any form not readily available.

[(2) Paragraph (1) does not apply to the collection, compilation, or transmittal of data in the course of a judicial proceeding.

#### [(NONDISCRIMINATION

[Sec. 1919. (a)(1) For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under title IX of the Education Amendments of 1972, or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964, programs and activities funded in whole or in part with funds made available under this part are considered to be programs and activities receiving Federal financial assistance.

[(2) No person shall on the ground of sex or religion be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this part.

[(b) Whenever the Secretary finds that a State, or an entity that has received a payment from an allotment to a State under section 1913, has failed to comply with a provision of law referred to in

subsection (a)(1), with subsection (a)(2), or with an applicable regulation (including one prescribed to carry out subsection (a)(2)), the Secretary shall notify the chief executive officer of the State and shall request him to secure compliance. If within a reasonable period of time, not to exceed sixty days, the chief executive officer fails or refuses to secure compliance, the Secretary may—

[(1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted,

[(2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act of 1973, as may be applicable, or

[(3) take such other action as may be provided by law.

[(c) When a matter is referred to the Attorney General pursuant to subsection (b)(1), or whenever he has reason to believe that a State or an entity is engaged in a pattern or practice in violation of a provision of law referred to in subsection (a)(1) or in violation of subsection (a)(2), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

#### [(CRIMINAL PENALTY FOR FALSE STATEMENTS

[Sec. 1920. Whoever—

[(1) knowingly and willfully makes or causes to be made any false statement or representation of a material fact in connection with the furnishing of items or services for which payment may be made by a State from funds allotted to the State under this part, or

[(2) having knowledge of the occurrence of any event affecting his initial or continued right to any such payment conceals or fails to disclose such event with an intent fraudulently to secure such payment either in a greater amount than is due or when no such payment is authorized,

shall be fined not more than \$25,000 or imprisoned for not more than five years, or both.

#### [(TECHNICAL ASSISTANCE

[Sec. 1921. The Secretary shall, without charge to a State receiving payments under this subpart, provide to the State (or to any public or nonprofit private entity designated by the State) technical assistance with respect to the planning, development, and operation of any program or service carried out pursuant to this subpart. The Secretary may provide such technical assistance directly, through contract, or through grants.

#### [(SERVICE RESEARCH ON COMMUNITY-BASED ALCOHOL AND DRUG ABUSE TREATMENT PROGRAMS

[Sec. 1922. The Secretary, acting through the Director of the National Institute on Alcohol Abuse and Alcoholism and the Director of the National Institute on Drug Abuse, shall evaluate alcohol and drug abuse treatment programs to determine the quality and appropriateness of various forms of treatment, including the effect of living in housing provided by programs established pursuant to sec-



tion 1916A. Such evaluations shall be carried out through grants, contracts, or cooperative agreements provided to public and non-profit private entities. In carrying out this section, the Secretary shall assess the quality, appropriateness, and costs of various treatment forms for specific patient groups.

**[SERVICE RESEARCH ON COMMUNITY-BASED MENTAL HEALTH  
TREATMENT PROGRAMS]**

**[Sec. 1923. (a)(1)** The Secretary, acting through the Director of the National Institute of Mental Health, shall develop and maintain an ongoing program of research on community mental health programs and services. Such program shall include an evaluation of—

**[(A)** the most effective methods of providing community-based prevention, treatment, and rehabilitation services for the mentally ill; and

**[(B)** the quality, appropriateness, and costs of different methods of treatment utilized in such programs with respect to diagnoses of mental illness for which such programs provided treatment.

**[(2)** Research and evaluations required in paragraph (1) may be carried out through grants, contracts, or cooperative agreements.

**[(b)** The Director of the National Institute of Mental Health may, to the extent practicable, establish research centers to carry out the evaluations required in subsection (a)(1). Such research centers shall establish and maintain liaisons with community mental health systems that provide services to the mentally ill.

**[(c)(1)** The Administrator shall develop and make available, from time to time, a model plan for a community-based system of care for seriously mentally ill individuals. Such plan shall be developed in consultation with State mental health directors, providers of mental health services, seriously mentally ill individuals, advocates for such individuals, and other interested parties.

**[(2)** The Administrator, in cooperation with members of the insurance industry, other members of the business community, and the Director of the Office of Personnel Management, shall develop a model insurance plan for consideration for adoption by such Director and the Congress. In developing such a plan, the Secretary shall consider the costs and benefits of alternative designs.

**[Subpart 2—State Comprehensive Mental Health Services Plan]**

**[DEVELOPMENT GRANTS]**

**[Sec. 1924. (a)** The Secretary shall make grants to States for the development of State comprehensive mental health services plans which comply with section 1925. In order to receive a grant under this section, a State shall submit an application to the Secretary. Such application shall be in such form, and shall contain such information, as the Secretary may by regulation prescribe.

**[(b)(1)** Except as provided in paragraph (2), the amount of a grant to a State under this section for a fiscal year shall be the amount which bears the same ratio to the amount appropriated to carry out this section for such fiscal year as the population of the

State bears to the total of the population of all States which submit applications under this section.

[(2) Notwithstanding paragraph (1), the amount of a grant to any State under this section shall not be less than \$150,000.

[(c) To carry out this section, there are authorized to be appropriated \$10,000,000 for each of the fiscal years 1988 and 1989, and \$5,000,000 for each of the fiscal years 1991 through 1993.

#### [STATE COMPREHENSIVE MENTAL HEALTH SERVICES PLANS

[Sec. 1925. (a) For each fiscal year, beginning with fiscal year 1988, each State shall submit a State comprehensive mental health services plan (hereafter referred to in this subpart as the "State plan") to the Secretary.

[(b) A State plan shall, for the fiscal year for which the plan is submitted and each of the 2 succeeding fiscal years, meet the following requirements:

[(1) The State plan shall provide for the establishment and of implementation of an organized community-based system of care for individuals with serious mental illnesses and children with serious emotional and mental disorders.

[(2) The State plan shall contain quantitative targets to be achieved in the implementation of such system, including numbers of individuals with serious mental illnesses residing in the areas to be served under such system.

[(3) The State plan shall describe services, available treatment options, and available resources (including Federal, State and local public services and resources, and to the extent practicable, private services and resources) to be provided to individuals with serious mental illnesses to enable such individuals to gain access to mental health services, including access to treatment, prevention, and rehabilitation services.

[(4) The State plan shall describe health and mental health services, rehabilitation services, employment services, housing services, educational services, medical and dental care, and other support services to be provided to individuals and children with serious emotional and mental disorders with Federal, State and local public and private resources to enable such individuals to function outside of inpatient or residential institutions to the maximum extent of their capabilities, including services to be provided by local school systems under the Education of the Handicapped Act.

[(5) The State plan shall describe the financial resources and staffing necessary to implement the requirements of such plan.

[(6) The State plan shall provide for activities to reduce the rate of hospitalization of individuals with serious mental illnesses.

[(7) Except as provided in paragraph (7), the State plan shall require the provision of case management services to each individual with a serious mental illness in the State who receives substantial amounts of public funds or services. For purposes of this paragraph, the term "individual with a serious mental

illness" means a individual with a serious mental illness as defined under State laws and regulations.

[(8) The State plan may provide for the implementation of the requirements of paragraph (6) in a manner which—

[(A) phases in, beginning in fiscal year 1989, the provision to all individuals with serious mental illnesses to which such paragraph applies the case management services required to be provided under such paragraph; and

[(B) provides for the substantial completion of the phasing in of the provision of such services by the end of fiscal year 1992.

[(9) The State plan shall provide for the establishment and implementation of a program of outreach to, and services for, individuals with serious mental illnesses.

[(10) The State plan shall describe a system of integrated social services, educational services, juvenile services, substance abuse services which together with health and mental health services, should be provided in order for children and adolescents with serious emotional and mental disorders to receive care appropriate for their multiple needs, including services to be provided by local school systems under the Education of the Handicapped Act.

[(c) In developing each State plan required under this section, the State shall consult with representatives of employees of State institutions and public and private nursing homes who care for individuals with serious mental illnesses.

[(d) The Secretary shall provide technical assistance to States in the development and implementation of State plans which comply with this section. Such technical assistance shall include the development and publication by the Secretary of model elements for State plans and model data systems for the collection of data concerning the implementation of State plans.

[(e) The State shall utilize the State mental health planning council described in section 1916(e), or establish a new council with comparable membership requirements, to advise, review, monitor and evaluate all aspects of the development and implementation of the State plan. The comments of such council shall be formally transmitted to the Governor of the State prior to the submission of such plan to the Secretary and such comments should be transmitted to the Secretary together with such plan.

[(f) Not later than March 30 of each year, the Secretary shall prepare and submit, to the appropriate Committees of Congress, a report concerning the development and implementation of the State plans. Such reports shall include—

[(1) the status of the implementation of such plans by the States;

[(2) a description of the extent of the participation of the councils described in subsection (e) in such development and implementation;

[(3) a description of the coordinated services for children and adults conducted under such plans;

[(4) the extent to which State and local public, and private resources are utilized in the enhancement and delivery of designated services; and



[(5) a quantitative measurement of the improvement in services projected and achieved under the plan.]

#### **[ENFORCEMENT]**

[Sec. 1926. (a) If the Secretary determines that a State has not, by the end of fiscal year 1989, developed the State plan required by section 1925, the Secretary shall reduce the amount of the State's allotment under subpart 1 for fiscal year 1990 by the amount specified in subsection (d).]

[(b) If the Secretary determines that a State has not, by the end of fiscal year 1991, developed and substantially implemented the State plan required by section 1925, the Secretary shall reduce the amount of the State's allotment under subpart 1 for fiscal year 1992 by the amount specified in subsection (d).]

[(c) If the Secretary determines that a State has not, by the end of fiscal year 1992, developed and completely implemented the State plan required by section 1925, the Secretary shall reduce the amount of the State's allotment under subpart 1 for fiscal year 1993 and each succeeding fiscal year by the amount specified in subsection (d). The Secretary shall discontinue the reduction under this subsection of a State's allotment under subpart 1 for a fiscal year if the Secretary determines that the State has, in the preceding fiscal year, developed and completely implemented the State plan required by section 1925.]

[(d) The amount referred to in subsections (a), (b), and (c) with respect to a State is the total amount that the State is permitted to expend for administrative expenses under section 1915(d) for fiscal year 1986 from amounts paid to the State under subpart 1 for such fiscal year. If in the judgment of the Secretary, the State is making a good faith effort to comply with this subpart, the Secretary may assess the State a penalty that is less than the maximum penalty, but in no event shall the penalty be less than 2 percent of the amount that the State received under subpart 1, as such subpart existed on October 1, 1985.]

[(e) Notwithstanding any other provision of this subpart, the Secretary shall not require a State government, in carrying out a State plan submitted under this subpart, to expend an amount for mental health services during the period covered by the plan which exceeds the total amount that would have been expended for such services by such government during such period if such plan had not been implemented, taking into consideration savings on inpatient hospitalization that can reasonably be anticipated to result from a well designed and implemented plan.]

#### **[MODEL STANDARDS FOR THE PROVISION OF CARE TO THE CHRONICALLY MENTALLY ILL]**

[Sec. 1927. (a) Within one year after the date of enactment of this subpart, the Secretary shall develop and make available a model plan for a community-based system of care for chronically mentally ill individuals. Such plan shall be developed in consultation with State mental health directors, providers of mental health services, chronically mentally ill individuals, advocates for such individuals, and other interested parties.]

**PART B—BLOCK GRANTS REGARDING MENTAL HEALTH AND  
SUBSTANCE ABUSE**

**Subpart I—Block Grants for Community Mental Health  
Services**

**SEC. 1911. FORMULA GRANTS TO STATES.**

*For the purposes described in section 1912, the Secretary, acting through the Director of the National Institute of Mental Health, shall make an allotment each fiscal year for each State in an amount determined in accordance with section 1916. The Secretary shall make a grant to the State of the allotment made for the State for the fiscal year if the Secretary approves for the fiscal year an application submitted by the State pursuant to section 1915.*

**SEC. 1912. PURPOSE OF GRANTS.**

*(a) COMPREHENSIVE COMMUNITY MENTAL HEALTH SERVICES FOR CERTAIN INDIVIDUALS.—The Secretary may not make a grant under section 1911 unless—*

*(1) in the case of fiscal year 1992, the State involved submits to the Secretary a plan for providing comprehensive community mental health services to adults with a serious mental illness and to children with a serious emotional disturbance;*

*(2) in the case of fiscal year 1993 and subsequent fiscal years, the State submits such revisions in the plan as the State determines to be appropriate; and*

*(3) in the case of each fiscal year—*

*(A) the plan (with any revisions) meets the criteria specified in subsection (b);*

*(B) the plan (or revision, as the case may be) is approved by the Secretary; and*

*(C) the State agrees that—*

*(i) the grant will be expended only for the purpose of providing, in accordance with the plan as in effect for the fiscal year, the services described in paragraph (1) to the adults and children described in such paragraph;*

*(ii) services under the plan will be provided only through appropriate, qualified community programs (which may include community mental health centers, child mental-health programs, psychosocial rehabilitation programs, mental health peer-support programs, and mental-health primary consumer-directed programs); and*

*(iii) services under the plan will be provided through community mental health centers only if the centers meet the criteria specified in subsection (d).*

*(b) CRITERIA FOR STATE PLAN.—With respect to the provision of comprehensive community mental health services to individuals who are either adults with a serious mental illness or children with a serious emotional disturbance, the criteria referred to in subsection (a) regarding a plan are as follows:*

(1) *The plan provides for the establishment and implementation of an organized community-based system of care for such individuals.*

(2) *The plan contains quantitative targets to be achieved in the implementation of such system, including the numbers of such individuals residing in the areas to be served under such system.*

(3) *The plan describes services, available treatment options, and available resources (including Federal, State and local public services and resources, and to the extent practicable, private services and resources) to be provided such individuals to enable the individuals to gain access to mental health services, including access to treatment, prevention, and rehabilitation services.*

(4) *The plan describes health and mental health services, rehabilitation services, employment services, housing services, educational services, medical and dental care, and other support services to be provided to such individuals with Federal, State and local public and private resources to enable such individuals to function outside of inpatient or residential institutions to the maximum extent of their capabilities, including services to be provided by local school systems under the Individuals with Disabilities Education Act.*

(5) *The plan describes the financial resources and staffing necessary to implement the requirements of such plan, including programs to train individuals as providers of mental health services, and the plan emphasizes training of providers of emergency health services regarding mental health.*

(6) *The plan provides for activities to reduce the rate of hospitalization of such individuals.*

(7)(A) *Subject to subparagraph (B), the plan requires the provision of case management services to each such individual in the State who receives substantial amounts of public funds or services.*

(B) *The plan may provide that the requirement of subparagraph (A) will not be substantially completed until the end of fiscal year 1992.*

(8) *The plan provides for the establishment and implementation of a program of outreach to, and services for, such individuals.*

(9) *In the case of children with serious emotional disturbances, the plan describes a system of integrated social services, educational services, juvenile services, and substance abuse services that, together with health and mental health services, should be provided in order for such children to receive care appropriate for their multiple needs, including services to be provided by local school systems under the Individuals with Disabilities Education Act.*

(10) *The plan describes the manner in which mental health services will be provided to the residents of rural areas.*

(c) **REQUIREMENT OF IMPLEMENTATION OF PLAN.—**

(1) **COMPLETE IMPLEMENTATION.**—*Except as provided in paragraph (2), in making a grant under section 1911 to a State for a fiscal year, the Secretary shall make a determination of the*



extent to which the State has implemented the plan required in subsection (a). If the Secretary determines that a State has not completely implemented the plan, the Secretary shall reduce the amount of the allotment under section 1911 for the State for the fiscal year involved by an amount equal to 10 percent of the amount determined under section 1916 for the State for the fiscal year.

(2) **SUBSTANTIAL IMPLEMENTATION AND GOOD FAITH EFFORT REGARDING FISCAL YEAR 1992.**—

(A) In making a grant under section 1911 to a State for fiscal year 1992, the Secretary shall make a determination of the extent to which the State has implemented the plan required in subsection (a). If the Secretary determines that the State has not substantially implemented the plan, the Secretary shall, subject to subparagraph (B), reduce the amount of the allotment under section 1911 for the State for such fiscal year by an amount equal to 10 percent of the amount determined under section 1916 for the State for the fiscal year.

(B) In carrying out subparagraph (A), if the Secretary determines that the State is making a good faith effort to implement the plan required in subsection (a), the Secretary may make a reduction under such subparagraph in an amount that is less than the amount specified in such subparagraph, except that the reduction may not be made in an amount that is less than 5 percent of the amount determined under section 1916 for the State for fiscal year 1992.

(d) **CRITERIA FOR MENTAL HEALTH CENTERS.**—The criteria referred to in subsection (a)(3)(C)(iii) regarding community mental health centers are—

(1) that, with respect to mental health services, the centers provide—

(A) services principally to individuals residing in a defined geographic area (hereafter in this subsection referred to as a "service area");

(B) outpatient services, including specialized outpatient services for children, the elderly, individuals with a serious mental illness, and residents of the service areas of the centers who have been discharged from inpatient treatment at a mental health facility;

(C) 24-hour-a-day emergency care services;

(D) day treatment or other partial hospitalization services, or psychosocial rehabilitation services; and

(E) screening for patients being considered for admission to State mental health facilities to determine the appropriateness of such admission;

(2) that the mental health services of the centers are provided, within the limits of the capacities of the centers, to any individual residing or employed in the service area of the center regardless of ability to pay for such services; and

(3) that the mental health services of the centers are available and accessible promptly, as appropriate and in a manner which preserves human dignity and assures continuity and high quality care.

(e) **PLANNING, ADMINISTRATION, AND EDUCATIONAL ACTIVITIES.**—A State may expend a grant under section 1911 for planning, administration, and educational activities related to providing services under the plan of the State under subsection (a). Entities receiving a grant pursuant to such subsection may expend the grant for planning, administration, and educational activities related to providing such services.

(f) **MAINTENANCE OF EFFORT REGARDING STATE EXPENDITURES FOR MENTAL HEALTH.**—

(1) **IN GENERAL.**—The Secretary may not make a grant under section 1911 for a fiscal year unless the State involved agrees to maintain State expenditures for community mental health services at a level that is not less than the average level of such expenditures maintained by the State for the 2-year period preceding the fiscal year for which the State is applying for the grant.

(2) **WAIVER.**—The Secretary may, upon the request of a State, waive the requirement established in paragraph (1) if the Secretary determines that extraordinary economic conditions in the State justify the waiver.

(g) **MONITORING OF CERTAIN ENTITIES RECEIVING FACILITIES ASSISTANCE UNDER COMMUNITY MENTAL HEALTH CENTERS ACT.**—

(1) **IN GENERAL.**—With respect to entities that received payments under the Community Mental Health Centers Act for fiscal year 1981 or prior fiscal years for any of the projects described in section 221(a) of such Act (as such section was in effect on August 12, 1981), if any such entity is located in the State involved and there remains in effect for the entity obligations under agreements made by the entity as a condition of the receipt of the payments, then the Secretary may not make a grant under section 1911 unless the State agrees—

(A) to monitor the activities of the entity in order to determine the extent to which the entity is complying with such obligations; and

(B) to submit to the Secretary a report describing the findings made by the State pursuant to subparagraph (A) for the fiscal year involved.

(2) **REPORTS TO CONGRESS.**—Not later than February 1 of each fiscal year, the Secretary shall submit to the Congress a report summarizing the information contained in the reports submitted under paragraph (1) to the Secretary by the States for the previous fiscal year. The Secretary shall provide a copy of each such report to the Inspector General of the Department of Health and Human Services.

(3) **DEFINITION.**—For purposes of this subsection, the term “Community Mental Health Centers Act” means such Act as in effect prior to the repeal of the Act on August 13, 1981, by section 902(e)(2)(B) of Public Law 97-35 (95 Stat. 560).

#### **SEC. 1913. RESTRICTIONS ON USE OF PAYMENTS.**

(a) **IN GENERAL.**—The Secretary may not make a grant under section 1911 unless the State involved agrees that the grant will not be expended—

(1) to provide inpatient services;

(2) to make cash payments to intended recipients of health services;

(3) to purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;

(4) to satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds; or

(5) to provide financial assistance to any entity other than a public or nonprofit private entity.

(b) **LIMITATION ON ADMINISTRATIVE EXPENSES.**—The Secretary may not make a grant under section 1911 unless the State involved agrees that the State will not expend more than 5 percent of the grant for administrative expenses with respect to the grant.

#### **SEC. 1914. STATE MENTAL HEALTH PLANNING COUNCIL.**

(a) **IN GENERAL.**—The Secretary may not make a grant under section 1911 unless the State involved agrees to establish and maintain a State mental health planning council in accordance with this section.

(b) **DUTIES.**—A Council is in accordance with this section if the duties of the Council are—

(1) to serve as an advocate for adults with a serious mental illness, children with a severe emotional disturbance, and other individuals with mental illnesses or emotional problems; and

(2) to monitor, review, and evaluate, not less than once each year, the allocation and adequacy of mental health services within the State.

#### **(c) MEMBERSHIP.**—

(1) **IN GENERAL.**—A Council is in accordance with this section if the Council is composed of residents of the State, including representatives of—

(A) the principal State agencies with respect to—

(i) mental health, education, vocational rehabilitation, criminal justice, housing, and social services; and

(ii) the development of the plan submitted pursuant to title XIX of the Social Security Act;

(iii) public and private entities concerned with the need, planning, operation, funding, and use of mental health services and related support services;

(B) adults with serious mental illnesses who are receiving (or have received) mental health services; and

(C) the families of such adults.

(2) **CERTAIN REQUIREMENTS.**—A Council is in accordance with the section if—

(A) with respect to the membership of the Council, the ratio of parents of children with a serious emotional disturbance to other members of the Council is sufficient to provide adequate representation of such children in the deliberations of the Council; and

(B) not less than 50 percent of the members of the Council are individuals who are not State employees or providers of mental health services.



(d) *AUTHORITY REGARDING INTENDED EXPENDITURES*.—A Council may assist the State in the preparation of the description of intended expenditures required in section 1941 with respect to this subpart.

(e) *DEFINITION*.—For purposes of this section, the term "Council" means a State mental health planning council.

#### SEC. 1915. APPLICATION FOR GRANT.

The Secretary may not make payments under section 1911 unless—

(1) the State involved submits to the Secretary an application for the grant containing any agreement required in this subpart or subpart III as a condition of receiving the grant;

(2) the agreements are made through certification from the chief executive officer of the State;

(3) with respect to such agreements, the application provides assurances of compliance satisfactory to the Secretary;

(4) the application contains the plan required in section 1912(a), the description of intended expenditures required in section 1941(a)(1), and the report required in section 1942(a); and

(5) the application otherwise is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this subpart.

#### SEC. 1916. DETERMINATION OF AMOUNT OF ALLOTMENT.

##### (a) STATES.—

(1) *DETERMINATION UNDER FORMULA*.—Subject to subsection (b), the Secretary shall determine the amount of the allotment required in section 1911 for a State for a fiscal year in accordance with the following formula:

$$A \left( \frac{X}{U} \right)$$

(2) *DETERMINATION OF TERM "A"*.—For purposes of the formula specified in paragraph (1), the term "A" means the difference between—

(A) an amount equal to the amount appropriated under section 1917(a) for allotments under section 1911 for the fiscal year involved; and

(B) an amount equal to 1.5 percent of the amount referred to in subparagraph (A).

(3) *DETERMINATION OF TERM "U"*.—For purposes of the formula specified in paragraph (1), the term "U" means the sum of the respective terms "X" determined for each State under paragraph (4).

##### (4) *DETERMINATION OF TERM "X"*.—

(A) For purposes of the formula specified in paragraph (1), the term "X" means the product of—

(i) an amount equal to the term "P", as determined for the State involved under subparagraph (B); and

(ii) the greater of—

(I) 0.4; and

(II) an amount equal to an amount determined for the State in accordance with the following formula:

$$1-.35 \left( \frac{S}{N} \right)$$

(B) For purposes of subparagraph (A)(i), the term "P" means the sum of—

(i) an amount equal to the product of—

(I) 0.107; and

(II) an amount equal to the number of individuals in the State who are between 18 and 24 years of age (inclusive), as indicated by the most recent data collected by the Bureau of the Census;

(ii) an amount equal to the product of—

(I) 0.166; and

(II) an amount equal to the number of individuals in the State who are between 25 and 44 years of age (inclusive), as indicated by the most recent data collected by the Bureau of the Census;

(iii) an amount equal to the product of—

(I) 0.099; and

(II) an amount equal to the number of individuals in the State who are between 25 and 64 years of age (inclusive), as indicated by the most recent data collected by the Bureau of the Census; and

(iv) an amount equal to the product of—

(I) 0.082; and

(II) an amount equal to the number of individuals in the State who are 65 years of age or older, as indicated by the most recent data collected by the Bureau of the Census.

(C) In the case of the several States, for purposes of the formula specified in subparagraph (A)(ii)(II), the term "S" means the quotient of—

(i) an amount equal to the most recent 3-year average of the total taxable resources of the State involved, as determined by the Secretary of the Treasury; divided by

(ii) an amount equal to the term "P", as determined for the State under subparagraph (B).

(D) In the case of the several States, for purposes of the formula specified in subparagraph (A)(ii)(II), the term "N" means the quotient of—

(i) an amount equal to the sum of—

(I) the sum of the respective amounts determined for each of the several States under subparagraph (C)(i); and

(II) an amount equal to the most recent 3-year average of the total taxable resources of the District of Columbia, as determined by the Secretary of the Treasury; divided by

(ii) an amount equal to the sum of the respective terms "P" determined for each of the several States, and for the District of Columbia, under subparagraph (B).

(E) In the case of the District of Columbia, for purposes of the formula specified in subparagraph (A)(ii)(II)—

(i) the term "S" means the quotient of—

(I) an amount equal to the most recent 3-year average of the total personal income in such District, as determined by the Secretary of Commerce; divided by

(II) an amount equal to the term "P", as determined for such District under subparagraph (B); and

(ii) the term "N" means the quotient of—

(I) an amount equal to the most recent 3-year average of the total personal income in the United States, as determined by the Secretary of Commerce; divided by

(II) an amount equal to the sum of the respective terms "P" determined for each of the several States, and for the District of Columbia, under subparagraph (B).

(b) **MINIMUM ALLOTMENT FOR CERTAIN STATES.**—If the allotment under section 1911 for a State for a fiscal year would be less than \$7,000,000 as determined under subsection (a), the amount of the allotment under such section for the State for the fiscal year shall be the greater of—

(1) the amount determined for the State under subsection (a); and

(2) an amount equal to 20.6 percent of the allotment made for the State under section 1912A for fiscal year 1989 (as such section was in effect for such fiscal year).

(c) **TERRITORIES.**—

(1) **DETERMINATION UNDER FORMULA.**—Subject to paragraphs (2) and (4), the allotment under section 1911 for a territory of the United States shall be the product of—

(A) an amount equal to the amounts reserved under paragraph (3); and

(B) a percentage equal to the quotient of—

(i) the civilian population of the territory, as indicated by the most recently available data; divided by

(ii) the aggregate civilian population of the territories of the United States, as indicated by such data.

(2) **MINIMUM ALLOTMENT FOR TERRITORIES.**—Each territory of the United States shall receive a minimum allotment under section 1911 of \$50,000.

(3) **RESERVATION OF AMOUNTS.**—The Secretary shall each fiscal year reserve for the territories of the United States 1.5 percent of the amounts appropriated under section 1917(a) for allotments under section 1911 for the fiscal year.

(4) **AVAILABILITY OF DATA ON POPULATION.**—With respect to data on the civilian population of the territories of the United States, if the Secretary determines for a fiscal year that recent



such data for purposes of paragraph (1)(B) do not exist regarding a territory, the Secretary shall for such purposes estimate the civilian population of the territory by modifying the data on the territory to reflect the average extent of change occurring during the ensuing period in the population of all territories with respect to which recent such data do exist.

(5) *APPLICABILITY OF CERTAIN PROVISIONS.*—For purposes of subsection (a), the term “State” does not include the territories of the United States.

#### SEC. 1917. FUNDING.

(a) *AUTHORIZATION OF APPROPRIATIONS.*—For the purpose of carrying out this subpart, subpart III and section 509D with respect to mental health, and section 518A, there are authorized to be appropriated \$303,000,000 for fiscal year 1992, \$420,000,000 for fiscal year 1993, and \$520,000,000 for fiscal year 1994.

#### (b) *ALLOCATIONS FOR TECHNICAL ASSISTANCE AND DATA COLLECTION.*—

(1) *IN GENERAL.*—For the purpose of carrying out section 1949(a) with respect to mental health, and for the purpose specified in paragraph (2), the Secretary shall obligate 5 percent of the amounts appropriated under subsection (a) for a fiscal year.

(2) *DATA COLLECTION.*—The purpose specified in this paragraph is the collection of data—

(A) to assist in the operation of publicly-supported mental-health service systems; and

(B) to assist the States in the preparation of the plans required in section 1912.

#### (c) *AVAILABILITY TO STATES.*—

(1) *IN GENERAL.*—Subject to paragraph (2), any amounts paid to a State under section 1911 shall be available for obligation until the end of the fiscal year for which the amounts were paid, and if obligated by the end of such year, shall remain available for expenditure until the end of the succeeding fiscal year.

(2) *EXCEPTION REGARDING NONCOMPLIANCE OF SUBGRANTEES.*—If a State has in accordance with paragraph (1) obligated amounts paid to the State under section 1911, in any case in which the Secretary determines that the obligation consists of a grant or contract awarded by the State, and that the State has terminated or reduced the amount of such financial assistance on the basis of the failure of the recipient of the assistance to comply with the terms upon which the assistance was conditioned—

(A) the amounts involved shall be available for reobligation by the State through September 30 of the fiscal year following the fiscal year for which the amounts were paid to the State; and

(B) any of such amounts that are obligated by the State in accordance with subparagraph (A) shall be available for expenditure through such date.

## ***Subpart II—Block Grants for Prevention and Treatment of Substance Abuse***

### **SEC. 1921. FORMULA GRANTS TO STATES.**

(a) **IN GENERAL.**—For the purpose described in subsection (b), the Secretary, acting through the Director of the Office for Treatment Improvement, shall make an allotment each fiscal year for each State in an amount determined in accordance with section 1931. The Secretary shall make a grant to the State of the allotment made for the State for the fiscal year if the State makes each of the agreements described in this subpart, and in subpart III with respect to substance abuse, and the State submits to the Secretary an application in accordance with section 1930.

(b) **AUTHORIZED ACTIVITIES.**—A funding agreement under subsection (a) is that, subject to section 1929, the State involved will expend a grant under subsection (a) only for the purpose of planning, carrying out, and evaluating activities to prevent and treat the abuse of alcohol and other drugs.

### **SEC. 1922. CERTAIN ALLOCATIONS.**

(a) **PRIORITY FOR CERTAIN COMMUNITIES.**—A funding agreement under section 1921 is that, in expending a grant under such section, the State involved will give priority to carrying out authorized activities in communities with the highest prevalence of substance abuse or the greatest need for treatment services, as determined by the State after consideration of—

(1) the demand for such services or a need for such services that exceeds the capacity to provide such services;

(2) a high prevalence of drug-related criminal activities; and

(3) a high incidence of communicable diseases transmitted through intravenous drug abuse.

(b) **ALLOCATIONS REGARDING ALCOHOL AND OTHER DRUGS.**—A funding agreement under section 1921 is that, in expending a grant under such section, the State involved will expend—

(1) not less than 35 percent for prevention and treatment activities regarding alcohol; and

(2) not less than 35 percent for prevention and treatment activities regarding other drugs.

(c) **ALLOCATION REGARDING PRIMARY PREVENTION PROGRAMS.**—With respect to individuals who do not engage in drug abuse, a funding agreement under section 1921 is that, in expending a grant under such section, the State involved—

(1) will expend not less than 20 percent for programs designed to educate the individuals on such abuse and to encourage the individuals to continue abstaining from such abuse; and

(2) will, in carrying out paragraph (1)—

(A) give priority to programs for populations that are at risk of developing a pattern of such abuse; and

(B) ensure that programs receiving priority under subparagraph (A) develop community-based strategies for the prevention of such abuse, including strategies to discourage the use of alcoholic beverages and tobacco products by indi-

viduals to whom it is unlawful to sell or distribute such beverages or products.

(d) **ALLOCATIONS REGARDING WOMEN.**—

(1) **IN GENERAL.**—Subject to paragraph (2), a funding agreement under section 1921 is that, in expending a grant under such section, the State involved—

(A)(i) for fiscal year 1992, will expend not less than 5 percent to increase (relative to fiscal year 1991) the availability of treatment services designed for pregnant women and women with dependent children (either by establishing new programs or expanding the capacity of existing programs);

(ii) for fiscal year 1993, will expend not less than 10 percent to so increase (relative to fiscal year 1992) the availability of such services for such women; and

(iii) for fiscal year 1994, will expend not less than 10 percent to so increase (relative to fiscal year 1993) the availability of such services for such women; and

(B)(i) for fiscal year 1993, will expend, in addition to amounts expended pursuant to clause (ii) of subparagraph (A), 5 percent to maintain the level of availability of services provided pursuant to clause (i) of such subparagraph for fiscal year 1992;

(ii) for fiscal year 1994, will expend, in addition to amounts expended pursuant to clause (iii) of subparagraph (A), 15 percent to maintain the level of availability of services provided pursuant to clauses (i) and (ii) of such subparagraph for fiscal year 1993; and

(iii) for fiscal year 1995 and subsequent fiscal years, will expend 25 percent to maintain the level of availability of services provided pursuant to clauses (i) through (iii) of such subparagraph for fiscal year 1994.

(2) **WAIVER.**—

(A) Upon the request of a State, the Secretary may provide to the State a waiver of all or part of the requirement established in paragraph (1) if the Secretary determines that the State is providing an adequate level of treatments services for women described in such paragraph, as indicated by a comparison of the number of such women seeking the services with the availability in the State of the services.

(B) The Secretary shall approve or deny a request for a waiver under subparagraph (A) not later than 120 days after the date on which the request is made.

(C) Any waiver provided by the Secretary under subparagraph (A) shall be applicable only to the fiscal year involved.

(3) **CHILDCARE AND PRENATAL CARE.**—A funding agreement under section 1921 for a State is that each entity providing treatment services with amounts reserved under paragraph (1) by the State will make available childcare and prenatal care to women receiving the treatment services.

(e) **CONTINUATION OF CERTAIN PROGRAMS.**—

(1) **IN GENERAL.**—In the case of any entity that received a grant under section 509E for fiscal year 1991 to carry out a pro-



gram of services in the State involved, a funding agreement under section 1921 for the State for a fiscal year is that, subject to paragraph (2)—

(A) the State will expend the grant under section 1921 to provide financial assistance to the entity for the purpose of continuing the program; and

(B) the amount of such assistance for the fiscal year will be an amount equal to the amount the entity received under section 509E for fiscal year 1991.

(2) **WAIVER.**—The Secretary shall waive the requirement established in paragraph (1) with respect to a program of services if the State involved certifies to the Secretary that, in the geographic area in which the program is carried out, there is no need for the services of the program.

#### **SEC. 1923. INTRAVENOUS SUBSTANCE ABUSE.**

##### **(a) ALLOCATION.—**

(1) **IN GENERAL.**—Subject to paragraph (2), a funding agreement under section 1921 is that, of the amounts reserved under section 1922(b)(2) by a State, the State will expend not less than 25 percent—

(A) to develop, implement, and operate programs of treatment for intravenous drug abuse, with priority given to programs to treat individuals infected with the etiologic agent for acquired immune deficiency syndrome;

(B) to train drug abuse counselors, and other health care providers, to provide such treatment; and

(C) with respect to individuals in need of treatment for intravenous drug abuse, to carry out outreach activities for the purpose of encouraging such individuals to undergo such treatment.

##### **(2) ADJUSTMENT BY SECRETARY.—**

(A) If the Secretary determines that the incidence of intravenous drug abuse in a State requires a greater level of funding than the level of funding provided pursuant to paragraph (1), the Secretary may increase the percentage specified in such paragraph, subject to not exceeding 50 percent.

(B) For purposes of subparagraph (A), the Secretary shall make a determination for each fiscal year of the percentage that is to be in effect for each State for the fiscal year. After making such a determination for a State for the fiscal year, the Secretary may not during such year alter the percentage, except as provided in paragraph (3).

##### **(3) WAIVER.—**

(A) Upon the request of a State, the Secretary may provide to the State a waiver of all or part of the requirement established under paragraph (1) for the State if the Secretary determines that the incidence of intravenous drug abuse in the State does not require the level of funding required under such paragraph.

(B) The Secretary shall approve or deny a request for a waiver under subparagraph (A) not later than 120 days after the date on which the request is made. The Secretary

may approve such request only after providing interested persons in the State an opportunity to comment upon the request.

(C) Any waiver provided by the Secretary under subparagraph (A) shall be applicable only to the fiscal year involved.

**(b) CAPACITY OF TREATMENT PROGRAMS.—**

(1) **NOTIFICATION OF REACHING CAPACITY.**—A funding agreement under section 1921 is that the State involved will, in the case of programs of treatment for intravenous drug abuse, require that any such program receiving amounts from a grant under such section, upon reaching 90 percent of its capacity to admit individuals to the program, provide to the State a notification of such fact.

(2) **PROVISION OF TREATMENT.**—A funding agreement under section 1921 is that the State involved will, with respect to notifications under paragraph (1), ensure that each individual who requests and is in need of treatment for intravenous drug abuse is admitted to a program of such treatment not later than 7 days after making the request.

(c) **OUTREACH REGARDING INTRAVENOUS SUBSTANCE ABUSE.**—A funding agreement under section 1921 is that the State involved, in providing amounts from a grant under such section to any entity for treatment services for intravenous drug abuse, will require the entity to carry out outreach activities described in subsection (a)(1)(C).

(d) **EARLY INTERVENTION SERVICES REGARDING HUMAN IMMUNODEFICIENCY VIRUS.—**

(1) **IN GENERAL.**—A funding agreement under section 1921 is that—

(A) the State involved will require that any entity receiving amounts from a grant under such section for the provision of treatment services for drug abuse will routinely offer and encourage early intervention services for HIV disease with respect to each individual seeking treatment for such abuse;

(B) the early intervention services will be undertaken voluntarily and with the informed consent of the individual, and will not be required as a condition of receiving treatment services for drug abuse or other services; and

(C) information regarding receipt of the early intervention services will be confidential.

(2) **PROVISION OF SERVICES THROUGH OTHER ENTITIES.**—With respect to compliance with an agreement under paragraph (1), an entity may expend the amounts involved to provide early intervention services directly and may expend the amounts to enter into agreements with other public or nonprofit private entities under which the other entities will provide the services.

(3) **REQUIREMENTS REGARDING OFFERING AND ENCOURAGING SERVICES.**—For purposes of this section, an entity to which the requirements of this subsection apply is offering and encouraging early intervention services with respect to individuals if the entity—

(A) offers such services to the individuals, and encourages the individuals to receive the services, as a regular

practice in the course of providing treatment services for drug abuse; and

(B) provides the early intervention services only with the consent of the individuals.

(4) **DEFINITIONS.**—For purposes of this subsection:

(A) The term “early intervention services”, with respect to HIV disease, means—

(i) appropriate pretest counseling;

(ii) testing individuals with respect to such disease, including tests to confirm the presence of the disease, tests to diagnose the extent of the deficiency in the immune system, and tests to provide information on appropriate therapeutic measures for preventing and treating the deterioration of the immune system and for preventing and treating conditions arising from the disease;

(iii) appropriate post-test counseling; and

(iv) providing the therapeutic measures described in clause (ii).

(B) The term “HIV disease” means infection with the etiologic agent for acquired immune deficiency syndrome.

#### **SEC. 1924. GROUP HOMES FOR RECOVERING SUBSTANCE ABUSERS.**

(a) **STATE REVOLVING FUNDS FOR ESTABLISHMENT OF HOMES.**—For fiscal year 1992 and subsequent fiscal years, the Secretary may not make a grant under section 1921 unless the State involved has established, and is providing for the ongoing operation of, a revolving fund as follows:

(1) The purpose of the fund is to make loans for the costs of establishing programs for the provision of housing in which individuals recovering from alcohol or drug abuse may reside in groups of not less than 6 individuals. The fund is established directly by the State or through the provision of a grant or contract to a nonprofit private entity.

(2) The programs are carried out in accordance with guidelines issued under subsection (b).

(3) Not less than \$100,000 is available for the fund.

(4) Loans made from the revolving fund do not exceed \$4,000 and each such loan is repaid to the revolving fund by the residents of the housing involved not later than 2 years after the date on which the loan is made.

(5) Each such loan is repaid by such residents through monthly installments, and a reasonable penalty is assessed for each failure to pay such periodic installments by the date specified in the loan agreement involved.

(6) Such loans are made only to nonprofit private entities agreeing that, in the operation of the program established pursuant to the loan—

(A) the use of alcohol or any illegal drug in the housing provided by the program will be prohibited;

(B) any resident of the housing who violates such prohibition will be expelled from the housing;

(C) the costs of the housing, including fees for rent and utilities, will be paid by the residents of the housing; and



(D) the residents of the housing will, through a majority vote of the residents, otherwise establish policies governing residence in the housing, including the manner in which applications for residence in the housing are approved.

(b) **ISSUANCE BY SECRETARY OF GUIDELINES.**—The Secretary, acting through the Administrator, shall ensure that there are in effect guidelines issued by the Secretary for the operation of programs described in subsection (a).

(c) **APPLICABILITY TO TERRITORIES.**—The requirements established in subsection (a) shall not apply to any territory of the United States other than the Commonwealth of Puerto Rico.

**SEC. 1925. STATE LAW REGARDING SALE OF TOBACCO PRODUCTS TO INDIVIDUALS UNDER AGE OF 18.**

(a) **RELEVANT LAW.**—

(1) **IN GENERAL.**—Subject to paragraph (2), for fiscal year 1994 and subsequent fiscal years, the Secretary may not make a grant under section 1921 unless the State involved has in effect a law providing that it is unlawful for any manufacturer, retailer, or distributor of tobacco products to sell or distribute any such product to any individual under the age of 18.

(2) **DELAYED APPLICABILITY FOR CERTAIN STATES.**—In the case of a State whose legislature does not convene a regular session in fiscal year 1992, and in the case of a State whose legislature does not convene a regular session in fiscal year 1993, the requirement described in paragraph (1) as a condition of a receipt of a grant under section 1921 shall apply only for fiscal year 1995 and subsequent fiscal years.

(b) **ENFORCEMENT.**—

(1) **IN GENERAL.**—For the first applicable fiscal year and for subsequent fiscal years, a funding agreement under section 1921 is that the State involved will enforce the law described in subsection (a) in a manner that can reasonably be expected to reduce the extent to which tobacco products are available to individuals under the age of 18.

(2) **ACTIVITIES AND REPORTS REGARDING ENFORCEMENT.**—For the first applicable fiscal year and for subsequent fiscal years, a funding agreement under section 1921 is that the State involved will—

(A) annually conduct random, unannounced inspections to ensure compliance with the law described in subsection (a); and

(B) annually submit to the Secretary a report describing—

(i) the activities carried out by the State to enforce such law during the fiscal year preceding the fiscal year for which the State is seeking a grant under section 1921;

(ii) the extent of success the State has achieved in reducing the availability of tobacco products to individuals under the age of 18; and

(iii) the strategies to be utilized by the State for enforcing such law during the fiscal year for which the grant is sought.

(c) **NONCOMPLIANCE OF STATE.**—Before making a grant under section 1921 to a State for the first applicable fiscal year or any subsequent fiscal year, the Secretary shall make a determination of whether the State has maintained compliance with subsections (a) and (b). If, after notice to the State and an opportunity for a hearing, the Secretary determines that the State is not in compliance with such subsections, the Secretary shall reduce the amount of the allotment under such section for the State for the fiscal year involved by an amount equal to—

(1) in the case of the first applicable fiscal year, 10 percent of the amount determined under section 1931 for the State for the fiscal year;

(2) in the case of the first fiscal year following such applicable fiscal year, 20 percent of the amount determined under section 1931 for the State for the fiscal year;

(3) in the case of the second such fiscal year, 30 percent of the amount determined under section 1931 for the State for the fiscal year; and

(4) in the case of the third such fiscal year or any subsequent fiscal year, 40 percent of the amount determined under section 1931 for the State for the fiscal year.

(d) **DEFINITION.**—For purposes of this section, the term “first applicable fiscal year” means—

(1) fiscal year 1995, in the case of any State described in subsection (a)(2); and

(2) fiscal year 1994, in the case of any other State.

#### **SEC. 1926. CERTAIN PROVISIONS.**

(a) **TREATMENT SERVICES FOR EMPLOYEES OF SMALL BUSINESSES.**—

(1) **IN GENERAL.**—A funding agreement under section 1921 for a State is that, in the case of business organizations in the State that employ 500 or fewer individuals, the State will carry out a program of assisting the organizations with the costs of providing to the employees of the organizations, and the families of the employees, prevention and treatment services regarding the abuse of alcohol and drugs (including counseling on interacting with individuals who engage in such abuse).

(2) **ALLOCATION BY STATE.**—

(A) Subject to subparagraph (B), a funding agreement under section 1921 for fiscal year 1992 is that, of the grant made under such section to the State for the fiscal year, the State will reserve \$50,000 for carrying out paragraph (1).

(B) The Secretary may reduce the amount of funds required to be reserved by a State for purposes of subparagraph (A) if employees of business organizations described in paragraph (1) are not in need of the full amount required in subparagraph (A).

(b) **TREATMENT SERVICES FOR PREGNANT WOMEN.**—

(1) **IN GENERAL.**—A funding agreement under section 1921 is that the State involved—

(A) will ensure that treatment services are available to each pregnant woman in the State who seeks or is referred to and would benefit from such services; and

(B) will, in carrying out subparagraph (A)—

(i) identify facilities in the State that provide treatment services to such women;

(ii) publicize the availability to the women of services from the facilities; and

(iii) provide to the Secretary a list of the facilities and an assessment of the capability of the programs to meet the needs of such women for treatment services.

(2) **REFERRALS BY STATES.**—A funding agreement under section 1921 is that the State involved, in carrying out paragraph (1)(A)—

(A) will require that, in the event that a treatment facility has insufficient capacity to provide treatment services to any woman described in such paragraph who seeks the services from the facility, the facility refer the woman to the State; and

(B) will, in the case of each woman for whom a referral under subparagraph (A) is made to the State, refer the woman to a treatment facility that has the capacity to provide treatment services to the woman or will otherwise ensure that such services are made available to the woman.

#### **SEC. 1927. ADDITIONAL AGREEMENTS.**

(a) **PERFORMANCE-BASED EVALUATION AS CONDITION OF CARRYING OUT AUTHORIZED ACTIVITIES.**—A funding agreement under section 1921 is that the State involved—

(1) will make an evaluation of an entity before providing to the entity amounts from a grant under such section in order that the entity may carry out prevention or treatment activities or both;

(2) will provide such amounts to the entity only if the evaluation indicates that the program of the entity for carrying out the activity involved is efficient and effective; and

(3) will conduct the evaluation according to criteria that measure the performance of the entity.

(b) **IMPROVEMENT OF PROCESS FOR APPROPRIATE REFERRALS FOR TREATMENT.**—With respect to individuals seeking treatment services, a funding agreement under section 1921 is that the State involved will, relative to fiscal year 1991, improve the process in the State for referring the individuals to treatment facilities that can provide to the individuals the treatment modality that is most appropriate for the individuals.

(c) **CONTINUING EDUCATION.**—With respect to any prevention or treatment facility that is receiving amounts from a grant under section 1921, a funding agreement under such section is that continuing education in treatment services will be provided by the facility to employees of the facility who provide the services.

(d) **COORDINATION OF VARIOUS ACTIVITIES AND SERVICES.**—A funding agreement under section 1921 is that the State involved will coordinate prevention and treatment activities with health, social, correctional and criminal justice, educational, vocational rehabilitation, and employment services.

(e) **WAIVER OF REQUIREMENTS.**—



(1) *IN GENERAL.*—Upon the request of a State, the Secretary may provide to a State a waiver of any or all of the requirements established in this section if the Secretary determines that, with respect to the prevention and treatment of the abuse of alcohol and other drugs, the requirement is unnecessary for the State.

(2) *DATE CERTAIN FOR ACTING UPON REQUEST.*—The Secretary shall approve or deny a request for a waiver under paragraph (1) not later than 120 days after the date on which the request is made.

(3) *APPLICABILITY OF WAIVER.*—Any waiver provided by the Secretary under paragraph (1) shall be applicable only to the fiscal year involved.

**SEC. 1928. SUBMISSION TO SECRETARY OF CERTAIN INFORMATION.**

**(a) STATEWIDE ASSESSMENT OF NEEDS.—**

(1) *IN GENERAL.*—The Secretary may not make a grant under section 1921 unless the State submits to the Secretary an assessment of the need in the State for authorized activities, both by locality and by the State in general, which assessment includes a description of—

(A) current prevention and treatment activities in the State;

(B) the need of the State for technical assistance to carry out such activities;

(C) efforts by the State to improve such activities; and

(D) the extent to which the availability of such activities is insufficient to meet the need for the activities, and the plans of the State to meet any unmet such need.

(2) *SPECIFICATION OF METHODOLOGY FOR MAKING ASSESSMENT.*—The Secretary may not make a grant under section 1921 unless the assessment submitted to the Secretary pursuant to paragraph (1) specifies the methodology through which the assessment was made.

**(b) METHODOLOGY FOR ALLOCATIONS AMONG PREVENTION AND TREATMENT ACTIVITIES.**—The Secretary may not make a grant under section 1921 unless the State submits to the Secretary a description of the methodology by which the State will allocate the grant among prevention activities and treatment activities.

**(c) COORDINATION WITH DRUG-FREE SCHOOLS AND COMMUNITIES ACT.**—The Secretary may not make a grant under section 1921 unless the State submits to the Secretary a description of the manner in which grants made under the Drug-Free Schools and Communities Act of 1986 coordinate with other statewide efforts on prevention and treatment activities.

**(d) WAIVER OF REQUIREMENTS.—**

(1) *IN GENERAL.*—Upon the request of a State, the Secretary may provide to the State a waiver of any or all of the requirements established in any of subsections (a) through (c) if the Secretary determines that, with respect to the prevention and treatment of the abuse of alcohol and other drugs, the requirement involved is unnecessary for the State.

(2) *DATE CERTAIN FOR ACTING UPON REQUEST.*—The Secretary shall approve or deny a request for a waiver under paragraph

(1) not later than 120 days after the date on which the request is made.

(3) **APPLICABILITY.**—Any waiver provided by the Secretary under paragraph (1) shall be applicable only to the fiscal year involved.

#### **SEC. 1929. RESTRICTIONS ON EXPENDITURE OF GRANT.**

##### **(a) IN GENERAL.**—

(1) **CERTAIN RESTRICTIONS.**—A funding agreement under section 1921 is that the State involved will not expend a grant under such section—

(A) to provide inpatient hospital services, except as provided in subsection (b);

(B) to make cash payments to intended recipients of health services;

(C) to purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;

(D) to satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds; or

(E) to provide financial assistance to any entity other than a public or nonprofit private entity.

(2) **LIMITATION ON ADMINISTRATIVE EXPENSES.**—A funding agreement under section 1921 is that the State involved will not expend more than 5 percent of a grant under such section to pay the costs of administering the grant.

(3) **LIMITATION REGARDING PENAL AND CORRECTIONAL INSTITUTIONS.**—A funding agreement under section 1921 for a State is that, in expending a grant under such section for the purpose of providing treatment services in penal or correctional institutions of the State, the State will not expend more than an amount equal to the amount expended for such purpose by the State from the grant made under section 1912A to the State for fiscal year 1991 (as section 1912A was in effect for such fiscal year).

##### **(b) EXCEPTION REGARDING INPATIENT HOSPITAL SERVICES.**—

(1) **MEDICAL NECESSITY AS PRECONDITION.**—With respect to compliance with the agreement made under subsection (a), a State may expend a grant under section 1921 to provide inpatient hospital services as treatment for substance abuse only if it has been determined that such treatment is a medical necessity for the individual involved, and that the individual cannot be effectively treated in a community-based, nonhospital, residential program of treatment.

(2) **RATE OF PAYMENT.**—In the case of an individual for whom a grant under section 1921 is expended to provide inpatient hospital services described in paragraph (1), a funding agreement under such section for the State involved is that the daily rate of payment provided to the hospital for providing the services to the individual will not exceed the comparable daily rate provided for community-based, nonhospital, residential programs of treatment for substance abuse.

(c) **WAIVER REGARDING CONSTRUCTION OF FACILITIES.**—

(1) **IN GENERAL.**—The Secretary may provide to any State a waiver of the restriction established in subsection (a)(1)(C) for the purpose of authorizing the State to expend a grant under section 1921 for the construction of a new facility or rehabilitation of a existing facility, but not for land acquisition.

(2) **STANDARD REGARDING NEED FOR WAIVER.**—The Secretary may approve a waiver under paragraph (1) only if the State demonstrates to the Secretary that adequate treatment cannot be provided through the use of existing facilities and that alternative facilities in existing suitable buildings are not available.

(3) **AMOUNT.**—In granting a waiver under paragraph (1), the Secretary shall allow the use of a specified amount of funds to construct or rehabilitate a specified number of beds for residential treatment and a specified number of slots for outpatient treatment, based on reasonable estimates by the State of the costs of construction or rehabilitation. In considering waiver applications, the Secretary shall ensure that the State has carefully designed a program that will minimize the costs of additional beds.

(4) **MATCHING FUNDS.**—The Secretary may grant a waiver under paragraph (1) only if the State agrees, with respect to the costs to be incurred by the State in carrying out the purpose of the waiver, to make available non-Federal contributions in cash toward such costs in an amount equal to not less than \$1 for each \$1 of Federal funds provided under section 1921.

(5) **DATE CERTAIN FOR ACTING UPON REQUEST.**—The Secretary shall act upon a request for a waiver under paragraph (1) not later than 120 days after the date on which the request is made.

**SEC. 1929A. MAINTENANCE OF EFFORT REGARDING STATE EXPENDITURES.**

(a) **IN GENERAL.**—A funding agreement under section 1921 for a State for a fiscal year is that State will for such year maintain State expenditures for prevention and treatment activities regarding alcohol, and for prevention and treatment activities regarding other drugs, respectively, at a level that is not less than the average level of such expenditures maintained by the State for the 2-year period preceding the fiscal year for which the State is applying for the grant.

(b) **WAIVER.**—

(1) **IN GENERAL.**—Upon the request of a State, the Secretary may waive all or part of the requirement established in subsection (a) regarding alcohol, or regarding other drugs, or both, if the Secretary determines that extraordinary economic conditions in the State justify the waiver.

(2) **DATE CERTAIN FOR ACTING UPON REQUEST.**—The Secretary shall approve or deny a request for a waiver under paragraph (1) not later than 120 days after the date on which the request is made.

(3) **APPLICABILITY OF WAIVER.**—Any waiver provided by the Secretary under paragraph (1) shall be applicable only to the fiscal year involved.



**SEC. 1930. APPLICATION FOR GRANT; APPROVAL OF STATE PLAN.**

(a) *IN GENERAL.*—For purposes of section 1921, an application for a grant under such section for a fiscal year is in accordance with this section if—

(1) the State involved submits the application not later than the date specified by the Secretary as being the date after which applications for such a grant will not be considered (in any case in which the Secretary specifies such a date);

(2) the application contains each funding agreement under section 1921;

(3) the agreements are made through certification from the chief executive officer of the State;

(4) with respect to such agreements, the application provides assurances of compliance satisfactory to the Secretary;

(5) the application contains the information required in section 1928;

(6) subject to subsection (c)(2)—

(A) the application contains a plan in accordance with subsection (b) and the plan is approved by the Secretary; and

(B) the State provides assurances satisfactory to the Secretary that the State complied with the provisions of the plan under subparagraph (A) that was approved by the Secretary for the most recent fiscal year for which the State received a grant under section 1921; and

(7) the application (including the plan under paragraph (6)) is otherwise in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this subpart.

**(b) STATE PLAN.—**

(1) *IN GENERAL.*—A plan submitted by a State under subsection (a)(6) is in accordance with this subsection if the plan contains detailed provisions for complying with each funding agreement under section 1921, including provisions for expending the grant under such section.

(2) *AUTHORITY OF SECRETARY REGARDING MODIFICATIONS.*—As a condition of making a grant under section 1921 to a State for a fiscal year, the Secretary may require that the State modify any provision of the plan submitted by the State under subsection (a)(6) (including provisions on priorities in carrying out authorized activities). If the Secretary approves the plan and makes the grant to the State for the fiscal year, the Secretary may not during such year require the State to modify the plan.

(3) *AUTHORITY OF OFFICE OF SUBSTANCE ABUSE PREVENTION.*—With respect to plans submitted by the States under subsection (a)(6), the Secretary, acting through the Director of the Office for Substance Abuse Prevention, shall review and approve or disapprove the provisions of the plans that relate to prevention activities.

**(c) ISSUANCE OF REGULATIONS; APPLICABILITY OF REQUIREMENT OF PLAN.—**

(1) *REGULATIONS.*—The Secretary, acting as appropriate through the Director of the Office for Treatment Improvement or the Director of the Office for Substance Abuse Prevention,

shall by regulation establish standards specifying the circumstances in which the Secretary will consider an application for a grant under section 1921 to be in accordance with this section.

(2) *APPLICABILITY OF REQUIREMENT OF PLAN.*—The requirement established in subsection (a)(6) regarding a plan shall not apply until October 1 of the first fiscal year beginning after the date on which, under paragraph (1), the Secretary issues standards for the plan.

**SEC. 1931. DETERMINATION OF AMOUNT OF ALLOTMENT.**

(a) *STATES.*—

(1) *DETERMINATION UNDER FORMULA.*—Subject to subsection (b), the Secretary shall determine the amount of the allotment required in section 1921 for a State for a fiscal year in accordance with the following formula:

$$A \left( \frac{X}{U} \right)$$

(2) *DETERMINATION OF TERM "A".*—For purposes of the formula specified in paragraph (1), the term "A" means the difference between—

(A) an amount equal to the amount appropriated under section 1933(a) for allotments under section 1921 for the fiscal year involved; and

(B) an amount equal to 1.5 percent of the amount referred to in subparagraph (A).

(3) *DETERMINATION OF TERM "U".*—For purposes of the formula specified in paragraph (1), the term "U" means the sum of the respective terms "X" determined for each State under paragraph (4).

(4) *DETERMINATION OF TERM "X".*—

(A) For purposes of the formula specified in paragraph (1), the term "X" means the product of—

(i) an amount equal to the term "P", as determined for the State involved under subparagraph (B); and

(ii) the greater of—

(I) 0.4; and

(II) an amount equal to an amount determined for the State in accordance with the following formula:

$$1-.35 \left( \frac{S}{N} \right)$$

(B) For purposes of subparagraph (A)(i), the term "P" means the sum of—

(i) an amount equal to the product of—

(I) 0.4; and

(II) an amount equal to the population living in urbanized areas of the State involved, as indicated

by the most recent data collected by the Bureau of the Census;

(ii) an amount equal to the product of—

(I) 0.2; and

(II) an amount equal to the number of individuals in the State who are between 18 and 24 years of age (inclusive) as indicated by the most recent data collected by the Bureau of the Census;

(iii) an amount equal to the product of—

(I) 0.2; and

(II) an amount equal to the number of individuals in the State who are between 25 and 44 years of age (inclusive) as indicated by the most recent data collected by the Bureau of the Census; and

(iv) an amount equal to the product of—

(I) 0.2; and

(II) an amount equal to the number of individuals in the State who are between 25 and 64 years of age (inclusive) as indicated by the most recent data collected by the Bureau of the Census.

(C) In the case of the several States, for purposes of the formula specified in subparagraph (A)(ii)(II), the term "S" means the quotient of—

(i) an amount equal to the most recent 3-year average of the total taxable resources of the State involved, as determined by the Secretary of the Treasury; divided by

(ii) an amount equal to the term "P", as determined for the State under subparagraph (B).

(D) In the case of the several States, for purposes of the formula specified in subparagraph (A)(ii)(II), the term "N" means the quotient of—

(i) an amount equal to the sum of—

(I) the sum of the respective amounts determined for each of the several States under subparagraph (C)(i); and

(II) an amount equal to the most recent 3-year average of the total taxable resources of the District of Columbia, as determined by the Secretary of the Treasury; divided by

(ii) an amount equal to the sum of the respective terms "P" determined for each of the several States, and for the District of Columbia, under subparagraph (B).

(E) In the case of the District of Columbia, for purposes of the formula specified in subparagraph (A)(ii)(II)—

(i) the term "S" means the quotient of—

(I) an amount equal to the most recent 3-year average of the total personal income in such District, as determined by the Secretary of Commerce; divided by

(II) an amount equal to the term "P", as determined for such District under subparagraph (B); and

(ii) the term "N" means the quotient of—



(I) an amount equal to the most recent 3-year average of the total personal income in the United States, as determined by the Secretary of Commerce; divided by

(II) an amount equal to the sum of the respective terms "P" determined for each of the several States, and for the District of Columbia, under subparagraph (B).

(b) **MINIMUM ALLOTMENT FOR CERTAIN STATES.**—If the allotment under section 1921 for a State for a fiscal year would be less than \$7,000,000 as determined under subsection (a), the amount of the allotment under such section for the State for the fiscal year shall be the greater of—

(1) the amount determined for the State under subsection (a); and

(2) an amount equal to 79.4 percent of the allotment made for the State under section 1912A for fiscal year 1989 (as such section was in effect for such fiscal year).

(c) **TERRITORIES.**—

(1) **DETERMINATION UNDER FORMULA.**—Subject to paragraphs (2) and (4), the allotment under section 1921 for a territory of the United States shall be the product of—

(A) an amount equal to the amounts reserved under paragraph (3); and

(B) a percentage equal to the quotient of—

(i) the civilian population of the territory, as indicated by the most recently available data; divided by

(ii) the aggregate civilian population of the territories of the United States, as indicated by such data.

(2) **MINIMUM ALLOTMENT FOR TERRITORIES.**—Each territory of the United States shall receive a minimum allotment under section 1921 of \$50,000.

(3) **RESERVATION OF AMOUNTS.**—The Secretary shall each fiscal year reserve for the territories of the United States 1.5 percent of the amounts appropriated under section 1933(a) for allotments under section 1921 for the fiscal year.

(4) **AVAILABILITY OF DATA ON POPULATION.**—With respect to data on the civilian population of the territories of the United States, if the Secretary determines for a fiscal year that recent such data for purposes of paragraph (1)(B) do not exist regarding a territory, the Secretary shall for such purposes estimate the civilian population of the territory by modifying the data on the territory to reflect the average extent of change occurring during the ensuing period in the population of all territories with respect to which recent such data do exist.

(5) **APPLICABILITY OF CERTAIN PROVISIONS.**—For purposes of subsections (a) and (b), the term "State" does not include the territories of the United States.

(d) **INDIAN TRIBES AND TRIBAL ORGANIZATIONS.**—

(1) **IN GENERAL.**—If the Secretary—

(A) receives a request from the governing body of an Indian tribe or tribal organization within any State that funds under this subpart be provided directly by the Secretary to such tribe or organization; and

(B) makes a determination that the members of such tribe or tribal organization would be better served by means of grants made directly by the Secretary under this; the Secretary shall reserve from the allotment under section 1921 for the State for the fiscal year involved an amount that bears the same ratio to the allotment as the amount provided under this subpart to the tribe or tribal organization for fiscal year 1991 for activities relating to the prevention and treatment of the abuse of alcohol and other drugs bore to the amount of the portion of the allotment under this subpart for the State for such fiscal year that was expended for such activities.

(2) **TRIBE OR TRIBAL ORGANIZATION AS GRANTEE.**—The amount reserved by the Secretary on the basis of a determination under this paragraph shall be granted to the Indian tribe or tribal organization serving the individuals for whom such a determination has been made.

(3) **APPLICATION.**—In order for an Indian tribe or tribal organization to be eligible for a grant for a fiscal year under this paragraph, it shall submit to the Secretary a plan for such fiscal year that meets such criteria as the Secretary may prescribe.

(5) **DEFINITION.**—The terms “Indian tribe” and “tribal organization” have the same meaning given such terms in subsections (b) and (c) of section 4 of the Indian Self-Determination and Education Assistance Act.

#### **SEC. 1932. DEFINITIONS.**

For purposes of this part:

(1) The term “authorized activities”, subject to section 1929, means the activities described in section 1921(b).

(2) The term “funding agreement under section 1921” means an agreement that is required in section 1921(a) as a condition of receiving a grant under such section.

(3) The term “prevention activities”, subject to section 1929, means activities to prevent the abuse of alcohol, or other drugs, or both, as indicated by the context of usage.

(4) The term “substance abuse” means the abuse of alcohol or other drugs.

(5) The term “treatment activities” means treatment services and, subject to section 1929, authorized activities that are related to treatment services.

(6) The term “treatment facility” means an entity that provides treatment services.

(7) The term “treatment services”, subject to section 1929, means treatment for the abuse of alcohol, or other drugs, or both, as indicated by the context of usage.

#### **SEC. 1933. FUNDING.**

(a) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out this subpart, subpart III and section 509D with respect to substance abuse, and section 571(b)(11), there are authorized to be appropriated \$1,057,000,000 for fiscal year 1992, \$1,100,000,000 for fiscal year 1993, and \$1,150,000,000 for fiscal year 1994.

(b) **ALLOCATIONS FOR TECHNICAL ASSISTANCE AND DATA COLLECTION AND DISSEMINATION.**—

*(1) IN GENERAL.—*

(A) For the purpose of carrying out sections 1949(a) with respect to substance abuse, section 508(d), and for the purpose specified in subparagraph (B), the Secretary shall obligate 3 percent of the amounts appropriated under subsection (a) for a fiscal year.

(B) The purpose specified in this subparagraph is the collection of data—

(i) to assist in the operation of publicly-supported systems for treatment services; and

(ii) to assist the States in the preparation of the plans required in section 1930(a)(6).

*(2) ACTIVITIES OF OFFICE FOR SUBSTANCE ABUSE PREVENTION.—*Of the amounts reserved under paragraph (1) for a fiscal year, the Secretary shall obligate 20 percent for carrying out section 1949(a) with respect to prevention activities and for carrying out section 508(d).

*(c) PROGRAM FOR PREGNANT AND POSTPARTUM WOMEN.—*For the purpose of carrying out section 509F, the Secretary shall obligate 2 percent of the amounts appropriated under subsection (a) for a fiscal year.

*(d) AVAILABILITY TO STATES.—*

*(1) IN GENERAL.—*Subject to paragraph (2), any amounts paid to a State under section 1921 shall be available for obligation until the end of the fiscal year for which the amounts were paid, and if obligated by the end of such year, shall remain available for expenditure until the end of the succeeding fiscal year.

*(2) EXCEPTION REGARDING NONCOMPLIANCE OF SUBGRANTEES.—*If a State has in accordance with paragraph (1) obligated amounts paid to the State under section 1921, in any case in which the Secretary determines that the obligation consists of a grant or contract awarded by the State, and that the State has terminated or reduced the amount of such financial assistance on the basis of the failure of the recipient of the assistance to comply with the terms upon which the assistance was conditioned—

(A) the amounts involved shall be available for reobligation by the State through September 30 of the fiscal year following the fiscal year for which the amounts were paid to the State; and

(B) any of such amounts that are obligated by the State in accordance with subparagraph (A) shall be available for expenditure through such date.

### **Subpart III—General Provisions**

#### **SEC. 1941. SUBMISSION OF DESCRIPTION OF INTENDED USES OF BLOCK GRANT.**

*(a) ANNUAL APPROVAL BY SECRETARY.—*The Secretary may not make a grant under subpart I or II for a fiscal year unless—



(1)(A) the State involved submits to the Secretary a description of the purposes for which the State intends to expend the grant for the fiscal year;

(B) the description identifies the populations, areas, and localities in the State with a need for the services or activities authorized in the program involved; and

(C) the description provides information relating to the programs and activities to be supported and services to be provided; and

(2) the Secretary approves the description.

(b) **OPPORTUNITY FOR PUBLIC COMMENT.**—The Secretary may not make a grant under subpart I or II for a fiscal year unless the State involved agrees to make the description required in subsection (a) public within the State in such manner as to facilitate comment from any person (including any Federal or other public agency) during the development of the description (including any revisions) and after the submission of the description pursuant to such subsection.

#### **SEC. 1942. REQUIREMENT OF REPORTS AND AUDITS BY STATES.**

(a) **REPORT.**—The Secretary may not make a grant under subpart I or II for a fiscal year unless the State involved submits to the Secretary a report in such form and containing such information as the Secretary determines (after consultation with the States and the Comptroller General) to be necessary for securing a record and a description of—

(1) the purposes for which the grant received by the State for the preceding fiscal year under the program involved were expended and a description of the activities of the State under the program;

(2) the recipients of amounts provided in the grant; and

(3) determining whether the grant was expended in accordance with the program involved and consistent with the needs within the State identified pursuant to section 1941(a)(1)(B).

(b) **AUDITS.**—The Secretary may not make a grant under subpart I or II unless, with respect to the grant, the State involved agrees to comply with chapter 75 of title 31, United States Code.

(c) **PERFORMANCE REVIEWS.**—For fiscal year 1994 and subsequent fiscal years, the Secretary may not make a grant under subpart I or II for a fiscal year unless the expenditures of the grant made to the State for the second fiscal year preceding such fiscal year have undergone a thorough performance review in accordance with standards established by the Comptroller General.

(d) **AVAILABILITY TO PUBLIC.**—The Secretary may not make a grant under subpart I or II unless the State involved agrees—

(1) to make copies of the reports and audits described in this section available for public inspection within the State;

(2) to provide copies of the report under subsection (a), upon request, to any interested person (including any public agency); and

(3) to make available for public inspection a copy of any audit report under paragraph (2) not later than 30 days after the completion of an audit under such paragraph.

**SEC. 1943. ADDITIONAL REQUIREMENTS.**

(a) *IN GENERAL.*—The Secretary may not, except as provided in subsection (c), make a grant under subpart I or II for a fiscal year unless the State involved agrees that—

(1) the legislature of the State will conduct public hearings on the proposed use and distribution of the grant to be received for the fiscal year;

(2) the State will provide for annual independent peer review to assess the quality and appropriateness of treatment services provided by a representative sample of entities that receive funds from the State pursuant to the program involved;

(3) the State will permit and cooperate with Federal investigations undertaken in accordance with section 1947; and

(4) the State will provide to the Secretary any data required by the Secretary pursuant to section 509D and will cooperate with the Secretary in the development of uniform criteria for the collection of data pursuant to such section.

(b) *PATIENT RECORDS.*—The Secretary may not make a grant under subpart I or II unless the State involved has in effect a system to protect from inappropriate disclosure patient records maintained by the State in connection with an activity funded under the program involved or by any entity which is receiving amounts from the grant.

**SEC. 1944. CONSOLIDATION OF APPLICATIONS REGARDING SUBPARTS I AND II.**

The Secretary may, for any fiscal year, authorize any State to submit to the Secretary a single application through which the State requests funds under both subparts I and II, subject to the application meeting the requirements of sections 1915 and 1930, respectively.

**SEC. 1945. DISPOSITION OF CERTAIN FUNDS APPROPRIATED FOR ALLOTMENTS.**

(a) *IN GENERAL.*—Amounts described in subsection (b) and available for a fiscal year pursuant to subpart I or II, as the case may be, shall be allotted by the Secretary to States receiving a grant under the program involved, other than any State referred to in paragraph (1)(C) of subsection (b), any State with respect to which paragraph (2) of such subsection applies, and in the case of the program established in subpart I, any State to which paragraph (3) of such subsection applies. Such amounts shall be allotted in a manner equivalent to the manner in which the allotment under the program involved was determined.

(b) *SPECIFICATION OF AMOUNTS.*—The amounts referred to in subsection (a) are any amounts that—

(1) are not paid to States under the program involved as a result of—

(A) the failure of any State to submit an application in accordance with the program;

(B) the failure of any State to prepare, within a reasonable period of time, such application in compliance with the program; or

- (C) any State informing the Secretary that the State does not intend to expend the full amount of the allotment made to the State under the program;
- (2) are terminated, repaid, or offset under section 1946; or
- (3) in the case of the program established in subpart I, are withheld from allotments under section 1911 pursuant to reductions under section 1912(c).

**SEC. 1946. FAILURE TO COMPLY WITH AGREEMENTS.**

(a) **SUSPENSION OR TERMINATION OF PAYMENTS.**—Subject to subsection (d), if the Secretary determines that a State has materially failed to comply with the agreements required as a condition of receiving a grant under the program involved, the Secretary may suspend payments under the grant, terminate the grant for cause, or employ such other remedies (in addition to remedies provided for in subsections (b) and (c)) as may be legally available and appropriate in the circumstances involved.

(b) **REPAYMENT OF PAYMENTS.**—

(1) **IN GENERAL.**—Subject to subsection (d), the Secretary may require a State to repay with interest any payments received by the State under subpart I or II that the Secretary determines were not expended by the State in accordance with the agreements required under the program involved.

(2) **OFFSET AGAINST PAYMENTS.**—If a State fails to make a repayment required in paragraph (1), the Secretary may offset the amount of the repayment against the amount of any payment due to be paid to the State under the program involved.

(c) **WITHHOLDING OF PAYMENTS.**—

(1) **IN GENERAL.**—Subject to subsections (d) and (f)(4), the Secretary may withhold payments due under subpart I or II if the Secretary determines that the State involved is not expending amounts received under the program involved in accordance with the agreements required under the program.

(2) **TERMINATION OF WITHHOLDING.**—The Secretary shall cease withholding payments from a State under paragraph (1) if the Secretary determines that there are reasonable assurances that the State will expend amounts received under the program involved in accordance with the agreements required under the program.

(d) **OPPORTUNITY FOR HEARING.**—Before taking action against a State under any of subsections (a) through (c), the Secretary shall provide to the State involved adequate notice and an opportunity for a hearing.

(e) **PROMPT RESPONSE TO SERIOUS COMPLAINTS.**—The Secretary shall promptly respond to any complaint of a substantial or serious nature that a State is in violation of any of the agreements required in the program involved as a condition of receiving a grant under the program, and shall promptly determine whether a hearing under subsection (d) should be held regarding the alleged violation.

(f) **INVESTIGATIONS.**—

(1) **REQUIREMENT REGARDING SECRETARY.**—The Secretary shall each fiscal year conduct in not less than 15 States investigations of the expenditure of grants received by the States under



subpart I or II in order to evaluate compliance with the agreements required under in the program involved.

(2) **AUTHORITY REGARDING COMPTROLLER GENERAL.**—The Comptroller General may conduct investigations of the expenditure of grants received by the States under subpart I or II in order to ensure compliance with the agreements required under the program involved.

(3) **PROVISION OF RECORDS ETC. UPON REQUEST.**—Each State receiving a grant under subpart I or II, and each entity receiving funds from the grant, shall make appropriate books, documents, papers, and records available to the Secretary or the Comptroller General, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request therefor.

(4) **LIMITATIONS ON AUTHORITY.**—The Secretary may not institute proceedings to withhold funds under subsection (c) unless the Secretary has conducted an investigation concerning whether the State has expended payments under the program involved in accordance with the agreements required under the program. Any such investigation shall be conducted within the State by qualified investigators.

#### SEC. 1947. PROHIBITIONS REGARDING RECEIPT OF FUNDS.

##### (a) **ESTABLISHMENT.**—

(1) **CERTAIN FALSE STATEMENTS AND REPRESENTATIONS.**—A person shall not knowingly and willfully make or cause to be made any false statement or representation of a material fact in connection with the furnishing of items or services for which payments may be made by a State from the grant made to the State under subpart I or II.

(2) **CONCEALING OR FAILING TO DISCLOSE CERTAIN EVENTS.**—A person with knowledge of the occurrence of any event affecting the initial or continued right of the person to receive any payments from a grant made to a State under subpart I or II shall not conceal or fail to disclose any such event with an intent fraudulently to secure such payment either in a greater amount than is due or when no such amount is due.

(b) **CRIMINAL PENALTY FOR VIOLATION OF PROHIBITION.**—Any person who violates any prohibition established in subsection (a) shall for each violation be fined in accordance with title 18, United States Code, or imprisoned for not more than 5 years, or both.

#### SEC. 1948. NONDISCRIMINATION.

##### (a) **IN GENERAL.**—

(1) **RULE OF CONSTRUCTION REGARDING CERTAIN CIVIL RIGHTS LAWS.**—For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under title IX of the Education Amendments of 1972, or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964, programs and activities funded in whole or in part with funds made available under subpart I or II shall be con-

sidered to be programs and activities receiving Federal financial assistance.

(2) **PROHIBITION.**—No person shall on the ground of sex or religion be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under subpart I or II.

(b) **ENFORCEMENT.**—

(1) **REFERRALS TO ATTORNEY GENERAL AFTER NOTICE.**—Whenever the Secretary finds that a State, or an entity that has received a payment pursuant to subpart I or II, has failed to comply with a provision of law referred to in subsection (a)(1), with subsection (a)(2), or with an applicable regulation (including one prescribed to carry out subsection (a)(2)), the Secretary shall notify the chief executive officer of the State and shall request the chief executive officer to secure compliance. If within a reasonable period of time, not to exceed 60 days, the chief executive officer fails or refuses to secure compliance, the Secretary may—

(A) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

(B) exercise the powers and functions provided by the Age Discrimination Act of 1975, section 504 of the Rehabilitation Act of 1973, title IX of the Education Amendments of 1972, or title VI of the Civil Rights Act of 1964, as may be applicable; or

(C) take such other actions as may be authorized by law.

(2) **AUTHORITY OF ATTORNEY GENERAL.**—When a matter is referred to the Attorney General pursuant to paragraph (1)(A), or whenever the Attorney General has reason to believe that a State or an entity is engaged in a pattern or practice in violation of a provision of law referred to in subsection (a)(1) or in violation of subsection (a)(2), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

**SEC. 1949. TECHNICAL ASSISTANCE AND PROVISION OF SUPPLIES AND SERVICES IN LIEU OF GRANT FUNDS.**

(a) **TECHNICAL ASSISTANCE.**—The Secretary shall, without charge to a State receiving a grant under subpart I or II, provide to the State (or to any public or nonprofit private entity within the State) technical assistance with respect to the planning, development, and operation of any program or service carried out pursuant to the program involved. The Secretary may provide such technical assistance directly, through contract, or through grants.

(b) **PROVISION OF SUPPLIES AND SERVICES IN LIEU OF GRANT FUNDS.**—

(1) **IN GENERAL.**—Upon the request of a State receiving a grant under subpart I or II, the Secretary may, subject to paragraph (2), provide supplies, equipment, and services for the purpose of aiding the State in carrying out the program involved and, for such purpose, may detail to the State any officer or employee of the Department of Health and Human Services.

(2) **CORRESPONDING REDUCTION IN PAYMENTS.**—With respect to a request described in paragraph (1), the Secretary shall reduce the amount of payments under the program involved to the State by an amount equal to the costs of detailing personnel and the fair market value of any supplies, equipment, or services provided by the Secretary. The Secretary shall, for the payment of expenses incurred in complying with such request, expend the amounts withheld.

**SEC. 1950. REPORT BY SECRETARY.**

Not later than October 1, 1993, the Secretary shall submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report on the activities of the States carried out pursuant to subparts I and II. Such report may include any recommendations of the Secretary for appropriate changes in legislation.

**SEC. 1951. RULE OF CONSTRUCTION REGARDING DELEGATION OF AUTHORITY TO STATES.**

With respect to States receiving grants under any of the subparts of this part, this part may not be construed to authorize the Secretary to delegate to the States the primary responsibility for interpreting the governing provisions of this part, including delegating authority with the result that different States are permitted to reach different interpretations of any provision of this part.

**SEC. 1952. DEFINITIONS.**

(a) **DEFINITIONS FOR SUBPART III.**—For purposes of this subpart, the term “program involved” means the program of allotments established in subpart I or II, or both, as indicated by whether the State involved is receiving or is applying to receive a grant under subpart I or II, or both.

(b) **DEFINITIONS FOR PART B.**—For purposes of this part:

(1) The term “Comptroller General” means the Comptroller General of the United States.

(2) The term “State”, except as provided in sections 1916(c)(5) and 1931(c)(5), means each of the several States, the District of Columbia, and each of the territories of the United States.

(3) The term “territories of the United States” means each of the Commonwealth of Puerto Rico, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, the Virgin Islands, and any other territory or possession of the United States.

**Part C—Related Categorical Grants**

**Subpart I—Mental Health**

**SEC. 1961. COMPREHENSIVE COMMUNITY MENTAL HEALTH SERVICES FOR CHILDREN WITH SERIOUS EMOTIONAL DISTURBANCES.**

(a) **GRANTS TO CERTAIN PUBLIC ENTITIES.**—

(1) **IN GENERAL.**—The Secretary, acting through the Director of the National Institute of Mental Health, shall make grants to public entities for the purpose of providing comprehensive community mental health services to children with a serious emotional disturbance. The Secretary may make such a grant



only if the public entity involved makes each of the agreements described in this subpart.

(2) **DEFINITION OF PUBLIC ENTITY.**—For purposes of this subpart, the term “public entity” means any State, any political subdivision of a State, and any Indian tribe or tribal organization (as defined in section 4(b) and section 4(c) of the Indian Self-Determination and Education Assistance Act).

(b) **CONSIDERATIONS IN MAKING GRANTS.**—

(1) **REQUIREMENT OF STATUS AS GRANTEE REGARDING BLOCK GRANTS UNDER SUBPART 1.**—The Secretary may not make a grant under subsection (a) to a public entity unless—

(A) in the case of a public entity that is a State, the State is receiving payments under subpart I;

(B) in the case of a public entity that is a political subdivision of a State, the State in which the political subdivision is located is receiving such payments; and

(C) in the case of a public entity that is an Indian tribe or tribal organization, the State in which the tribe or tribal organization is located is receiving such payments.

(2) **CERTAIN CONSIDERATIONS.**—In making grants under subsection (a), the Secretary shall—

(A) equitably allocate such assistance among the principal geographic regions of the United States;

(B) consider the extent to which the public entity involved has a need for the grant;

(C) give special consideration to any public entity that agrees, as a condition of the receipt of such a grant, to provide non-Federal contributions under subsection (c) in a greater amount than the amount required under such subsection for the applicable fiscal year; and

(D) in the case of any public entity that is a political subdivision of a State or that is an Indian tribe or tribal organization—

(i) shall consider any comments regarding the application of the entity for such a grant that are received by the Secretary from the State in which the entity is located; and

(ii) shall give special consideration to the entity if the State agrees to provide a portion of the non-Federal contributions required in subsection (c) regarding such a grant.

(c) **MATCHING FUNDS.**—

(1) **IN GENERAL.**—An agreement referred to in subsection (a) is that the public entity involved will, with respect to the costs to be incurred by the entity in carrying out the purpose described in such subsection, make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount that is—

(A) for the first fiscal year for which the entity receives payments from a grant under subsection (a), not less than \$1 for each \$3 of Federal funds provided in the grant;

(B) for any second or third such fiscal year, not less than \$1 for each \$3 of Federal funds provided in the grant;

(C) for any fourth such fiscal year, not less than \$1 for each \$1 of Federal funds provided in the grant; and

(D) for any fifth such fiscal year, not less than \$2 for each \$1 of Federal funds provided in the grant.

(2) **DETERMINATION OF AMOUNT OF NON-FEDERAL CONTRIBUTION.**—

(A) Non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

(B) In making a determination of the amount of non-Federal contributions for purposes of subparagraph (A), the Secretary may include only non-Federal contributions in excess of the average amount of non-Federal contributions made by the public entity involved toward the purpose described in subsection (a) for the 2-year period preceding the first fiscal year for which the entity receives a grant under such section.

**SEC. 1962. REQUIREMENTS WITH RESPECT TO CARRYING OUT PURPOSE OF GRANTS.**

(a) **SYSTEMS OF COMPREHENSIVE CARE.**—

(1) **IN GENERAL.**—An agreement referred to in section 1961(a) is that, with respect to children with a serious emotional disturbance, the public entity involved will carry out the purpose described in such section only through establishing and operating 1 system of care for making each of the mental health services specified in subsection (c) available to each child admitted to the system. In providing for such a system, the public entity may make grants to, and enter into contracts with, public and nonprofit private entities.

(2) **STRUCTURE OF SYSTEM.**—An agreement referred to in section 1961(a) is that a system of care under paragraph (1) will—

(A) be established in a community selected by the public entity involved;

(B) consist of such public agencies and nonprofit private entities in the community as are necessary to ensure that each of the services specified in subsection (c) is available to each child admitted to the system;

(C) be established pursuant to agreements that the public entity enters into with the agencies and entities described in subparagraph (B);

(D) coordinate the provision of the services of the system; and

(E) establish an office whose functions are to serve as the location through which children are admitted to the system, to coordinate the provision of services of the system, and to provide information to the public regarding the system.

(3) **COLLABORATION OF LOCAL PUBLIC ENTITIES.**—An agreement referred to in section 1961(a) is that, for purposes of the estab-

lishment and operation of a system of care under paragraph (1), the public entity involved will ensure collaboration among all public agencies that provide human services in the community in which the system is established, including but not limited to those providing mental health services, educational services, child welfare services, or juvenile justice services.

(b) **LIMITATION ON AGE OF CHILDREN ADMITTED TO SYSTEM.**—An agreement referred to in section 1961(a) is that a system of care under subsection (a) will not admit an individual to the system if the individual is more than 21 years of age.

(c) **REQUIRED MENTAL HEALTH SERVICES OF SYSTEM.**—An agreement referred to in section 1961(a) is that mental health services provided by a system of care under subsection (a) will include, with respect to a serious emotional disturbance in a child—

(1) diagnostic and evaluation services;

(2) outpatient services provided in a clinic, office, school or other appropriate location, including individual, group and family counseling services, professional consultation, and review and management of medications;

(3) emergency services, available 24-hours a day, 7 days a week;

(4) intensive home-based services for children and their families when the child is at imminent risk of out-of-home placement;

(5) intensive day-treatment services;

(6) respite care;

(7) therapeutic foster care services, and services in therapeutic foster family homes or individual therapeutic residential homes, and groups homes caring for not more than 8 children; and

(8) assisting the child in making the transition from the services received as a child to the services to be received as an adult.

(d) **REQUIRED ARRANGEMENTS REGARDING OTHER APPROPRIATE SERVICES.**—

(1) **IN GENERAL.**—An agreement referred to in section 1961(a) is that—

(A) a system of care under subsection (a) will enter into a memorandum of understanding with each of the providers specified in paragraph (2) in order to facilitate the availability of the services of the provider involved to each child admitted to the system; and

(B) the grant under such section 1961(a), and the non-Federal contributions made with respect to the grant, will not be expended to pay the costs of providing such linked non-mental-health services to any individual.

(2) **SPECIFICATION OF SERVICES.**—The providers referred to in paragraph (1) are providers of medical services other than mental health services, providers of educational services, providers of vocational counseling and vocational rehabilitation services, and providers of protection and advocacy services with respect to mental health.

(3) **FACILITATION OF SERVICES OF CERTAIN PROGRAMS.**—An agreement referred to in section 1961(a) is that a system of care



under subsection (a) will, for purposes of paragraph (1), enter into a memorandum of understanding regarding facilitation of—

(A) services available pursuant to title XIX of the Social Security Act, including services regarding early periodic screening, diagnosis, and treatment;

(B) services available under parts B and H of the Individuals with Disabilities Education Act; and

(C) services available under other appropriate programs, as identified by the Secretary.

(e) **GENERAL PROVISIONS REGARDING SERVICES OF SYSTEM.**—

(1) **CASE MANAGEMENT SERVICES.**—An agreement referred to in section 1961(a) is that a system of care under subsection (a) will provide for the case management of each child admitted to the system in order to ensure that—

(A) the services provided through the system to the child are coordinated and that the need of each such child for the services is periodically reassessed;

(B) information is provided to the family of the child on the extent of progress being made toward the objectives established for the child under the plan of services implemented for the child pursuant to section 1963; and

(C) the system provides assistance with respect to—

(i) establishing the eligibility of the child, and the family of the child, for financial assistance and services under Federal, State, or local programs providing for health services, mental health services, educational services, social services, or other services; and

(ii) seeking to ensure that the child receives appropriate services available under such programs.

(2) **OTHER PROVISIONS.**—An agreement referred to in section 1961(a) is that a system of care under subsection (a), in providing the services of the system, will—

(A) provide the services of the system in the cultural context that is most appropriate for the child and family involved;

(B) ensure that individuals providing such services to the child can effectively communicate with the child and family in the most direct manner;

(C) provide the services without discriminating against the child or the family of the child on the basis of race, religion, national origin, sex, disability, or age;

(D) seek to ensure that each child admitted to the system of care remains in the least restrictive, most normative environment that is clinically appropriate; and

(E) provide outreach services to inform individuals, as appropriate, of the services available from the system, including identifying children with a serious emotional disturbance who are in the early stages of such disturbance.

(3) **RULE OF CONSTRUCTION.**—An agreement made under paragraph (2) may not be construed—

(A) with respect to subparagraph (C) of such paragraph—

(i) to prohibit a system of care under subsection (a) from requiring that, in housing provided by the grantee

for purposes of residential treatment services authorized under subsection (c), males and females be segregated to the extent appropriate in the treatment of the children involved; or

(ii) to prohibit the system of care from complying with the agreement made under subsection (b); or

(B) with respect to subparagraph (D) of such paragraph, to authorize the system of care to expend the grant under section 1961(a) (or the non-Federal contributions made with respect to the grant) to provide legal services or any service with respect to which expenditures regarding the grant are prohibited under subsection (d)(1)(B).

(f) **RESTRICTIONS ON USE OF GRANT.**—An agreement referred to in section 1961(a) is that the grant under such section, and the non-Federal contributions made with respect to the grant, will not be expended—

(1) to purchase or improve real property (including the construction or renovation of facilities);

(2) to provide for room and board in residential programs serving 8 or fewer children;

(3) to provide for room and board or other services or expenditures associated with care of children in residential treatment centers serving more than 8 children or in inpatient hospital settings, except intensive home-based services and other services provided on an ambulatory or outpatient basis; or

(4) to provide for the training of any individual, except training authorized in section 1964(a)(2) and training provided through any appropriate course in continuing education whose duration does not exceed 2 days.

#### **SEC. 1963. INDIVIDUALIZED PLAN FOR SERVICES.**

(a) **IN GENERAL.**—An agreement referred to in section 1961(a) is that a system of care under section 1962(a) will develop and implement an individualized plan of services for each child admitted to the system, and that the plan will be developed and implemented with the participation of the family of the child and, unless clinically inappropriate, with the participation of the child.

(b) **CONTENTS OF PLAN.**—An agreement referred to in section 1961(a) is that the individualized plan under subsection (a) for a child will—

(1) be developed, and reviewed and as appropriate revised not less than once each year, by a multidisciplinary team of appropriately qualified individuals who provide services through the system, including mental health services, other health services, educational services, social services, and, subject to paragraph (3), vocational counseling and vocational rehabilitation;

(2) identify and state the needs of the child for the services available pursuant to section 1962 through the system;

(3) provide for each of such services that is appropriate to the circumstances of the child, including, except in the case of children who are less than 14 years of age, the provision of appropriate vocational counseling and vocational rehabilitation;

(4) establish objectives to be achieved regarding the needs of the child and the methodology for achieving the objectives; and

(5) designate an individual to be responsible for providing the case management required in section 1962(e)(1).

**SEC. 1964. ADDITIONAL PROVISIONS.**

(a) **OPTIONAL SERVICES.**—In addition to services described in subsection (c) of section 1962, a system of care under subsection (a) of such section may, in expending a grant under section 1961(a), provide for—

(1) preliminary assessments to determine whether a child should be admitted to the system;

(2) training in the administration of the system, in providing foster care or group homes under section 1962(c)(7), and in the development of individualized plans for purposes of section 1963;

(3) recreational activities for children admitted to the system; and

(4) such other services as may be appropriate in providing for the comprehensive needs with respect to mental health of children with a serious emotional disturbance.

(b) **COMPREHENSIVE PLAN.**—The Secretary may not make a grant under section 1961(a) unless, with respect to the jurisdiction of the public entity involved, the entity has submitted to the Secretary, and has had approved by the Secretary, a plan for the development a jurisdiction-wide system of care for community-based services for children with a serious emotional disturbance that specifies the progress the public entity has made in developing the jurisdiction-wide system, the extent of cooperation across agencies serving children in the establishment of the system, the Federal and non-Federal resources currently committed to the establishment of the system, and the current gaps in community services and the manner in which the grant under section 1961(a) will be expended to address such gaps and establish local systems of care.

(c) **LIMITATION ON IMPOSITION OF FEES FOR SERVICES.**—An agreement referred to in section 1961(a) is that, if a charge is imposed for the provision of services under a grant under such section, such charge—

(1) will be made according to a schedule of charges that is made available to the public;

(2) will be adjusted to reflect the income of the family of the child involved; and

(3) will not be imposed on any child whose family has income and resources of equal to or less than 100 percent of the official poverty line, as established by the Director of the Office of Management and Budget and revised by the Secretary in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981.

(d) **RELATIONSHIP TO ITEMS AND SERVICES UNDER OTHER PROGRAMS.**—An agreement under section 1961(a) is that the grant under such section, and the non-Federal contributions made with respect to the grant, will not be expended to make payment for any item or service to the extent that payment has been made, or can reasonably be expected to be made, with respect to such item or service—



(1) under any State compensation program, under an insurance policy, or under any Federal or State health benefits program; or

(2) by an entity that provides health services on a prepaid basis.

(e) **LIMITATION ON ADMINISTRATIVE EXPENSES.**—An agreement under section 1961(a) is that not more than 2 percent of the grant under such section will be expended for administrative expenses incurred with respect to the grant by the public entity involved.

(f) **REPORTS TO SECRETARY.**—An agreement referred to in section 1961(a) is that the public entity involved will annually submit to the Secretary a report on the activities of the entity under the grant that includes a description of the number of children admitted to systems of care operated pursuant to the grant, the demographic characteristics of the children, the types and costs of services provided pursuant to the grant, estimates of the unmet need for such services in the jurisdiction of the entity, and the manner in which the grant has been expended toward the establishment of a jurisdiction-wide system of care for children with a serious emotional disturbance, and such other information as the Secretary may require with respect to the grant.

(g) **DESCRIPTION OF INTENDED USES OF GRANT.**—The Secretary may not make a grant under section 1961(a) unless—

(1) the public entity involved submits to the Secretary a description of the purposes for which the entity intends to expend the grant;

(2) the description identifies the populations, areas, and localities in the jurisdiction of the entity with a need for services under this section; and

(3) the description provides information relating to the services and activities to be provided, including a description of the manner in which the services and activities will be coordinated with any similar services or activities of public or nonprofit entities.

(h) **REQUIREMENT OF APPLICATION.**—The Secretary may not make a grant under section 1961(a) unless an application for the grant is submitted to the Secretary, the application contains the description of intended uses required in subsection (g), and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

#### **SEC. 1965. GENERAL PROVISIONS.**

(a) **DURATION OF SUPPORT.**—The period during which payments are made to a public entity from a grant under section 1961(a) may not exceed 5 fiscal years.

(b) **TECHNICAL ASSISTANCE.**—

(1) **IN GENERAL.**—The Secretary shall, upon the request of a public entity receiving a grant under section 1961(a)—

(A) provide technical assistance to the entity regarding the process of submitting to the Secretary applications for grants under section 1961(a); and

(B) provide to the entity training and technical assistance with respect to the planning, development, and operation of systems of care pursuant to section 1962.

(2) *AUTHORITY FOR GRANTS AND CONTRACTS.*—The Secretary may provide technical assistance under subsection (a) directly or through grants to, or contracts with, public and nonprofit private entities.

(c) *EVALUATIONS AND REPORTS BY SECRETARY.*—

(1) *IN GENERAL.*—The Secretary shall, directly or through contracts with public or private entities, provide for annual evaluations of programs carried out pursuant to section 1961(a). The evaluations shall assess the effectiveness of the systems of care operated pursuant to such section, including longitudinal studies of outcomes of services provided by such systems, other studies regarding such outcomes, the effect of activities under this subpart on the utilization of hospital and other institutional settings, the barriers to and achievements resulting from inter-agency collaboration in providing community-based services to children with a serious emotional disturbance, and assessments by parents of the effectiveness of the systems of care.

(2) *REPORT TO CONGRESS.*—The Secretary shall, not later than 1 year after the date on which amounts are first appropriated under subsection (c), and annually thereafter, submit to the Congress a report summarizing evaluations carried out pursuant to paragraph (1) during the preceding fiscal year and making such recommendations for administrative and legislative initiatives with respect to this section as the Secretary determines to be appropriate.

(d) *DEFINITIONS.*—For purposes of this subpart:

(1) The term “child” means an individual not more than 21 years of age.

(2) The term “family”, with respect to a child admitted to a system of care under section 1962(a), means—

(A) the legal guardian of the child; and

(B) as appropriate regarding mental health services for the child, the parents of the child (biological or adoptive, as the case may be) and any foster parents of the child.

(3) The term “serious emotional disturbance” includes, with respect to a child, any child who has a serious emotional disorder, a serious behavioral disorder, or a serious mental disorder.

(e) *FUNDING.*—

(1) *AUTHORIZATION OF APPROPRIATIONS.*—For the purpose of carrying out this subpart, there are authorized to be appropriated \$100,000,000 for fiscal year 1993, \$200,000,000 for fiscal year 1994, and \$300,000,000 for fiscal year 1995.

(2) *SET-ASIDE REGARDING TECHNICAL ASSISTANCE.*—Of the amounts appropriated under paragraph (1) for a fiscal year, the Secretary shall make available not less than \$3,000,000 for the purpose of carrying out subsection (b).

## **Subpart II—Substance Abuse**

### **SEC. 1971. GRANTS TO STATES FOR EXPANDING CAPACITY TO PROVIDE TREATMENT FOR SUBSTANCE ABUSE.**

#### **(a) GRANTS FOR STATES WITH INSUFFICIENT CAPACITY.—**

(1) **IN GENERAL.**—The Secretary, acting through the Director of the Office for Treatment Improvement, may make grants to States for the purpose of increasing the maximum number of individuals to whom public and nonprofit private entities in the States are capable of providing effective treatment for substance abuse.

(2) **ELIGIBLE STATES.**—The Director may not make a grant under subsection (a) to a State unless the number of individuals seeking treatment services in the State significantly exceeds the maximum number described in paragraph (1) that is applicable to the State.

#### **(b) PRIORITY IN MAKING GRANTS.—**

(1) **RESIDENTIAL TREATMENT SERVICES FOR PREGNANT WOMEN.**—In making grants under subsection (a), the Director shall give priority to States that agree to give priority in the expenditure of the grant to carrying out the purpose described in such subsection as the purpose relates to the provision of residential treatment services to pregnant women.

(2) **ADDITIONAL PRIORITY REGARDING MATCHING FUNDS.**—In the case of any application for a grant under subsection (a) that is receiving priority under paragraph (1), the Director shall give further priority to the application if the State involved agrees as a condition of receiving the grant to provide non-Federal contributions under subsection (c) in a greater amount than the amount required under such subsection for the applicable fiscal year.

#### **(c) REQUIREMENT OF MATCHING FUNDS.—**

(1) **IN GENERAL.**—Subject to paragraph (3), the Director may not make a grant under subsection (a) unless the State agrees, with respect to the costs of the program to be carried out by the State pursuant to such subsection, to make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount that—

(A) for the first fiscal year for which the State receives such a grant, is not less than \$1 for each \$9 of Federal funds provided in the grant;

(B) for any second such fiscal year, is not less than \$1 for each \$2 of Federal funds provided in the grant; and

(C) for any subsequent such fiscal year, is not less than \$1 for each \$1 of Federal funds provided in the grant.

(2) **DETERMINATION OF AMOUNT OF NON-FEDERAL CONTRIBUTION.**—Non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.



(3) **WAIVER.**—*The Director may waive the requirement established in paragraph (1) if the Director determines that extraordinary economic conditions in the State justify the waiver.*

(d) **LIMITATION REGARDING DIRECT TREATMENT SERVICES.**—*The Director may not make a grant under subsection (a) unless the State involved agrees that the grant will be expended only for the direct provision of treatment services. The preceding sentence may not be construed to authorize the expenditure of such a grant for the planning or evaluation of treatment services.*

(e) **REQUIREMENT OF APPLICATION.**—*The Secretary may not make a grant under subsection (a) unless an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.*

(f) **DURATION OF GRANT.**—*The period during which payments are made to a State from a grant under subsection (a) may not exceed 3 years. The provision of such payments shall be subject to annual approval by the Director of the payments and subject to the availability of appropriations for the fiscal year involved to make the payments. The preceding sentence may not be construed to establish a limitation on the number of grants under such subsection that may be made to the State.*

(g) **MAINTENANCE OF EFFORT.**—*The Director may not make a grant under subsection (a) unless the State involved agrees to maintain State expenditures for treatment services at a level that is not less than the average level of such expenditures maintained by the State for the 2-year period preceding the first fiscal year for which the State receives such a grant.*

(h) **RESTRICTIONS ON USE OF GRANT.**—

(1) **IN GENERAL.**—*The Director may not make a grant under subsection (a) unless the State involved agrees that the grant will not be expended—*

(A) *to provide inpatient hospital services, except as provided in paragraph (2);*

(B) *to make cash payments to intended recipients of health services;*

(C) *to purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;*

(D) *to satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds; or*

(E) *to provide financial assistance to any entity other than a public or nonprofit private entity.*

(2) **EXCEPTION REGARDING INPATIENT HOSPITAL SERVICES.**—

(A) *With respect to compliance with the agreement made under paragraph (1), a State may expend a grant under subsection (a) to provide inpatient hospital services as treatment for substance abuse only if it has been determined that such treatment is a medical necessity for the individual involved, and that the individual cannot be effectively*

*treated in a community-based, nonhospital, residential program of treatment.*

*(B) The Director may not make a grant under subsection (a) unless, in the case of an individual for whom such a grant is expended to provide inpatient hospital services described in subparagraph (A), the State involved agrees that the daily rate of payment provided to the hospital for providing the services to the individual will not exceed the comparable daily rate provided for community-based, non-hospital, residential programs of treatment for substance abuse.*

(i) **DEFINITIONS.**—*For purposes of this section—*

*(1) The term "Director" means the Director of the Office for Treatment Improvement.*

*(2) The term "substance abuse" means the abuse of alcohol or other drugs.*

(j) **AUTHORIZATION OF APPROPRIATIONS.**—*For the purpose of carrying out this section, there are authorized to be appropriated \$68,000,000 for fiscal year 1992, \$70,000,000 for fiscal year 1993, and \$72,000,000 for fiscal year 1994.*

\* \* \* \* \*

## TITLE XXIV—HEALTH SERVICES WITH RESPECT TO ACQUIRED IMMUNE DEFICIENCY SYNDROME

\* \* \* \* \*

### PART C—OTHER HEALTH SERVICES

#### [Subpart I—Counseling and Testing]

\* \* \* \* \*

#### SEC. 2432. REQUIREMENT OF PROVISION OF CERTAIN COUNSELING SERVICES.

(a) \* \* \*

\* \* \* \* \*

(e) **USE OF FUNDS.**—

(1) The purpose of this [subpart] *part* is to provide for counseling and testing services to prevent and reduce exposure to, and transmission of, the etiologic agent for acquired immune deficiency syndrome.

(2) All individuals receiving counseling pursuant to this [subpart] *part* are to be counseled about the harmful effects of promiscuous sexual activity and intravenous substance abuse, and the benefits of abstaining from such activities.

(3) None of the fund appropriated to carry out this [subpart] *part* may be used to provide counseling that is designed to promote or encourage, directly, homosexual or heterosexual sexual activity or intravenous drug abuse.

(4) Paragraph (3) may not be construed to prohibit a counselor who has already performed the counseling of an individual required by paragraph (2), to provide accurate information about means to reduce an individual's risk of exposure to, or

the transmission of, the etiologic agent for acquired immune deficiency syndrome, provided that any informational materials used are not obscene.

\* \* \* \* \*

**【Subpart II—Counseling and Mental Health Services】**

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**SECTION 1003 OF THE ANTI-DRUG ABUSE ACT OF 1988**

**SEC. 1003. APPOINTMENT AND DUTIES OF DIRECTOR, DEPUTY DIRECTORS, AND ASSOCIATE DIRECTOR.**

(a) \* \* \*

\* \* \* \* \*

(f) *COMPENSATION OF DEPUTY DIRECTOR FOR DEMAND REDUCTION.*—The position of Deputy Director for Demand Reduction, when occupied by a physician, shall be considered a Government physician for purposes of eligibility for the physicians comparability allowance, as defined in section 5948 of title 5, United States Code. For purposes of determining the amount of such allowance, such Deputy Director shall be deemed to have served as a Government physician for more than twenty-four months, and the amount necessary to deal with the recruitment and retention problem for such position shall be deemed to be \$20,000.



## ADDITIONAL VIEWS OF HON. DENNIS E. ECKART

I am pleased that the Committee adopted my proposal to establish a National Commission on Alcohol and Tobacco Use by Children. Our nation's young people are especially susceptible to the temptations of tobacco and alcohol, because of peer pressure, targeted advertising techniques, and other complex social pressures.

Most people start smoking as children. In 1989, the Surgeon General found that 90 percent of all new smokers began while they were teenagers and more than 300 American teenagers start smoking every day. Moreover, teen smoking is on the upswing, with eighteen percent of high school seniors and ten percent of ninth graders reporting that they are daily or nearly daily smokers. Alcohol abuse among children is equally disturbing. Nine out of ten high school seniors report having used alcohol, which is the number one killer of young people (under the age of 34). Moreover, alcohol is a factor in approximately half of all homicides, suicides and motor vehicle fatalities.

Whatever the cause, bad habits formed early in life are often the hardest to break. Thus, it is vital that we PREVENT children from starting to smoke or drink. My goal in establishing this Commission is to publicize the problems associated with underage drinking and smoking and receive input from communities throughout our country on their efforts to help children resist alcohol and tobacco use.

A number of other commissions have been successful in developing consensus policies to resolve important national problems. For example, the Pepper Commission's report on comprehensive health care is the model for legislation to enact a national health care policy. Recommendations made by Presidential Commission on Drunk Driving, including establishment of a minimum legal drinking age of 21, have been successful in reducing drunk driving.

It is my belief that a National Commission on Alcohol and Tobacco Use by Children is a necessary first step if we are to come to grips with the pervasive nature of substance abuse among young people. The answers will not be found in academic studies focused within the federal bureaucracy. Instead, we must reach out to parents, students, counselors, state and local officials, and others throughout the United States.

## SUPPLEMENTAL VIEWS

Adolescent tobacco use is a serious problem which deserves the immediate attention of Congress. Teenagers are experimenting with tobacco at the alarming rate of 3,000 per day.<sup>1</sup> Too many of these young people develop an addiction to cigarettes which they find impossible to beat. It is reported that more than one-half of high school seniors who smoke daily have tried to quit without success.<sup>2</sup> As the Secretary of the U.S. Dept. of Health and Human Services has said "if the current trend is not reversed, at least 5 million of the children who are alive today will die of smoking-related diseases."<sup>3</sup>

The health consequences of smoking are well documented: tobacco is implicated in the deaths of 430,000 Americans each year; it is the single most preventable cause of death; and smoking and smoking-related illnesses cost the nation over \$60 billion each year in health care costs and lost productivity. Yet, thus far federal strategies to limit tobacco use have fallen short.

Tobacco is an addicting drug. In testimony before Congress in 1982 the U.S. Public Health Service concluded that "cigarette smoking \* \* \* is the most widespread example of drug dependence in this country."<sup>4</sup> In 1988 the U.S. Surgeon General released an important report highlighting the overwhelming body of medical evidence on the addictive nature of tobacco products.<sup>5</sup> The report concluded: "(1) Cigarettes and other forms of tobacco are addicting; (2) Nicotine is the drug in tobacco that causes addiction; (3) the pharmacologic and behavioral processes that determine tobacco addiction are similar to those that determine addiction to drugs such as heroin and cocaine."<sup>6</sup>

In view of the addictive properties of tobacco it is notable that the use of tobacco by underage youth has been shown to be a risk factor in the use of illicit drugs. The director of the Dept. of Health and Human Services National High School Senior Survey noted:

I am painfully aware that smoking rates among our youngsters have not declined for nearly a decade. This fact is unconscionable when you consider that it is highly predictable that literally hundreds of thousands of each year's

<sup>1</sup> U.S. Department of Health and Human Services Inspector General's Report, "Youth Access to Cigarettes" (1990) [hereinafter Inspector General's Report].

<sup>2</sup> Inspector General's Report, *supra* note 1.

<sup>3</sup> Remarks of Louis B. Sullivan, Secretary, U.S. Dept. of Health and Human Services, Washington, D.C. (Press Conference regarding Philip Morris sponsorship of Virginia Slims Tennis Tournament) (1990).

<sup>4</sup> "Comprehensive Smoking Prevention Education Act: Hearings on H.R. 5653 and H.R. 4957 Before the Subcomm. on Health and Environment of the House Comm. on Energy and Commerce," 97th Cong., 2nd Sess. 97-106 (1982) (statement of Edward N. Brandt, M.D., Assistant Secretary for Health, U.S. Dept. of Health and Human Services).

<sup>5</sup> Report of the U.S. Surgeon General, *The Health Consequences of Smoking: NICOTINE ADDICTION* (1988) [hereinafter 1988 Surgeon General's Report].

<sup>6</sup> 1988 Surgeon General's Report, *supra* note 5, at i.

graduating class are going to die prematurely as a result of smoking habits, and in many cases addictions, they develop as children and adolescents . . . (W)e know that cigarette smoking is strongly associated with the initiation of the use of illegal drugs—in particular marijuana use—and is very strongly associated with the development of heavy marijuana use, as our own research and that of a number of others have shown.<sup>7</sup>

In a May 29, 1991 response to questions from the Subcommittee ADAMHA Administrator Frederick K. Goodwin, M.D. responded:

Tobacco use appears to play a pivotal role in the development of other drug dependencies . . . Based on the National Household Survey, 23% of the daily smoking youth (age 12–17) had already progressed to using marijuana more than ten times, in contrast to less than one percent for those who had never smoked.<sup>8</sup>

Furthermore, research by the National Institute on Drug Abuse:

indicates that cigarette smoking is a major risk factor to subsequent illicit drug use onset and progression . . . Tobacco use by teens promotes a pharmacologic approach to resolving negative feeling and dealing with anxiety. Tobacco is particularly harmful because of its ease of accessibility even by very young children. Finally, the root of administration, i.e. smoking, provides an inappropriate precursor behavioral model to ingest other illicit drugs, such as marijuana and crack cocaine.<sup>9</sup>

Tobacco use threatens to undermine the nation's battle against the tragic effects of drug use. It is now widely known that tobacco is a "gateway" drug and that its use by children leads to use of other harmful drugs.<sup>10</sup> We believe the Community Mental Health and Substance Abuse Services Improvement Act of 1991 takes some important steps to confront this problem.

First, the legislation requires that federally funded drug prevention and treatment programs counsel adolescents on the dangers of tobacco use. Drug prevention programs which fail to recognize the link between tobacco use and use of other controlled substances make a serious mistake. According to the National Commission on Drug Free Schools, "the nation's illegal drug problems will not be eliminated until the gateway drugs—alcohol and tobacco—are dealt with more effectively."<sup>11</sup> The inclusion of tobacco in programs heretofore exclusively limited to the abuse of alcohol and other illicit drugs is consistent with the recommendations of both

<sup>7</sup> Letter from Lloyd D. Johnson, Ph.D., Program Director, Survey Research Center, Institute for Social Research, The University of Michigan to Rep. Henry A. Waxman (Nov. 27, 1991).

<sup>8</sup> "Reauthorization of Substance Abuse Programs: Hearing Before Subcomm. on Health and Environment of the House Energy and Commerce Comm.," 102nd Cong., 1st Sess., 102–44, 115 (1991) (response of Alcohol Drug Abuse and Mental Health Agency Administrator to Subcomm. questions).

<sup>9</sup> Ibid at 116.

<sup>10</sup> U.S. Dept. of Education, National Commission on Drug Free Schools, Final Report (1990); and, The White House, National Drug Control Strategy (1992)

<sup>11</sup> U.S. Dept. of Education, National Commission on Drug Free Schools, Final Report (1990) [hereinafter Commission on Drug Free Schools.]



the National Commission on Drug Free Schools<sup>12</sup> and the National Drug Control Strategy.<sup>13</sup> Moreover, such educational efforts are necessary to counter the suggestive and misleading messages our youth receive through tobacco industry advertising campaigns which imply that cigarette smoking is healthy, glamorous and socially acceptable.

Second, the legislation requires that every state enact laws prohibiting the sale of tobacco products to individuals under the age of 18. Again, this provision incorporates the recommendations of both the National Commission on Drug Free Schools<sup>14</sup> and the National Drug Control Strategy.<sup>15</sup> Even the tobacco industry itself asserts that it does not condone the use of its products by adolescents.

Perhaps most importantly, the legislation requires that states enforce their laws by demonstrating to the Secretary of Health and Human Services that the availability of tobacco products to adolescents is reduced. Even though all but a few states presently place some age restriction on the purchase of tobacco products, only a handful of jurisdictions actually enforce these laws.<sup>16</sup> A law which is not enforced is worse than no law at all because it sends a dangerous signal to young people about the importance of observing laws in our society, generally. Furthermore, lack of enforcement suggests to teens that tobacco use is not a serious problem even though scientific and medical evidence has proven otherwise. Tobacco is an addicting drug. The use by adolescents of *any* addicting drug should be treated seriously because it represents a public health threat.

In developing meaningful strategies for reducing the availability of tobacco products, States should take into consideration the "Model Sale of Tobacco Products to Minors Control Act" prepared and recommended for adoption by the Department of Health and Human Services.<sup>17</sup> The model law's requirements, many of which are also endorsed in the 1992 National Drug Control Strategy, include (1) creation of a licensing system "under which a store may sell tobacco to adults only if it avoids making sales to minors"; and (2) banning the use of vending machines to dispense cigarettes, parallel to alcohol practice.<sup>18</sup>

<sup>12</sup> Commission on Drug Free Schools, *supra* note 11, at 69.

<sup>13</sup> The White House, National Drug Control Strategy (1992) [hereinafter Drug Control Strategy].

<sup>14</sup> Comm. on Drug Free Schools, *supra* note 11, at 69.

<sup>15</sup> Drug Control Strategy, *supra* note 13, at 157.

<sup>16</sup> Inspector General's Report, *supra* note 1, at 5.

<sup>17</sup> U.S. Dept. of Health and Human Services, A Model Law Recommended for Adoption by States and Localities to Prevent the Sale of Tobacco Products to Minors (1990).

<sup>18</sup> For a discussion of the model law see: "Tobacco Control and Marketing: Hearings Before the Subcomm. on Health and Environment of the House Comm. on Energy and Commerce," 101st Cong., 2nd Sess., 101-171 (1990) (testimony of James O. Mason, Asst. Sec. for Health)

In conclusion, the provisions included as part of this legislation are a critical addition to the nation's fight against drug abuse. We are pleased that the control of tobacco has been recognized as a vital part of the fight against illicit drugs.

MIKE SYNAR.

HENRY WAXMAN.

GERRY SIKORSKI.

GERRY STUDDS.

PETER KOSTMAYER.

JAMES SCHEUER.

RON WYDEN.

ED MARKEY.

## DISSENTING VIEWS

We are compelled to register our strong opposition to H.R. 3698, the Community Mental Health and Substance Abuse Services Improvement Act of 1992, which was ordered reported by the Committee on Energy and Commerce on March 4, 1992. Since the Federal government is facing a budget deficit of approximately \$362 billion for Fiscal Year 1992, we are particularly disturbed that this bill authorizes a staggering \$565 million in new Federal spending.

Since the creation of the Alcohol, Drug Abuse, and Mental Health Services Block Grant (ADMS Block Grant) in 1981, this Committee has been consistently attempting to dismantle it. The ADMS Block Grant was structured to give the States maximum flexibility in order to provide assistance that was best suited for its citizens. This has given all States the flexibility they need in managing different problems. Under existing law, the ADMS Block Grant funds are allocated to States based on the percentage of the population at risk and the ability to finance the required level of services. Currently, the States have the flexibility to direct treatment dollars to areas of special need which they have determined to be of the highest priority. However, each time the ADMS Block Grant has been authorized we find the Majority attempting to create new set-asides, earmarks, and categorical grants that dictate to the States what services to provide and how much to spend on them.

The bill as reported accelerates this objectionable trend by placing new onerous set-asides, earmarks, and taps on the ADMS Block Grant to fund new categorical programs. For example, we find a new 10% tap within the Mental Health Block Grant to fund a categorical program, and a new 2% tap on the Substance Abuse Block to fund other categorical programs. In addition, this bill mandates that each State set aside at least \$50,000 for helping small businesses with the costs of providing alcohol and drug prevention treatment services. This shifting of monies from the ADMS Block Grant to categorical grant programs significantly reduces the flexibility of States to address the critical needs of their populations. It circumvents the State planning process, prevents States from prioritizing their own needs, and leads to a loss of State oversight and accountability. It takes the initiative away from local people who have the best grasp of their local environment and shifts it to Federal bureaucrats.

We also strongly object to the fact that this bill does not make the legislative changes necessary for the reorganization of the Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA). Secretary Sullivan submitted this reorganization to Congress on June 17, 1991, so as to allow the Department of Health and Human Services (HHS) to more fully develop the ability to target services to individuals who need them. The proposed reorganization would



transfer ADAMHA's three research institutes—the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse, and the National Institute of Mental Health—to the National Institutes of Health (NIH). Prevention and treatment services in the alcohol, drug abuse, and mental health areas would become the core of a new ADAMHA. The agency would be comprised of the current Offices for Treatment Improvement and Substance Abuse Prevention, as well as a new Office of Mental Health Services which would coordinate the Federal role in the prevention and treatment of mental illnesses.

The integration of the ADAMHA research institutes into the NIH would move research on mental illness and addictive disorders into the mainstream of biomedical and behavioral research. This transfer would foster improved collaboration between NIMH and other relevant institutes at the NIH, such as the National Institute of Neurological Disorders and Stroke. It would also provide an interdisciplinary environment for the continuum of research from the basic biochemistry of brain cells to the complex role of behavior in human health and disease. And clearly, the major treatment breakthroughs in the next decade will depend on the interaction between brain and behavioral research.

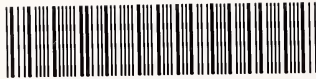
The reorganization is also a creative response to ADAMHA's growth. ADAMHA's responsibilities in combating alcohol and drug abuse and addressing mental health problems have grown exponentially in the two decades since its establishment. The reorganization would allow ADAMHA's programs to develop their strengths for further work and growth, while enhancing services and research. We find its absence from this legislation to be highly objectionable.

Finally, we also object to the provisions in this bill which preclude the use of research set-aside funds for the continuation of services research. For example, at the National Institute on Alcohol Abuse and Alcoholism (NIAAA), this would lead to a 40% reduction in the number of services research grants from 154 to only 86. We believe that Congress does not intend to force a choice between an unprecedented reduction in new and competing grants and the loss of basic knowledge critical to targeting future Federal resources in combating substance abuse.

NORMAN F. LENT.  
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WILLIAM E. DANNEMEYER.  
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